

The National Underwriter

LIFE INSURANCE EDITION

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BEHA ANSWERS MYRICK ON PROPOSED CHANGE

New York Superintendent Sends
Another Letter to Life Agents
of State

REPLIES TO OBLIGATIONS

Says Agents Do Not Clearly Under-
stand Situation in Taking Their
Present Stand

NEW YORK, Sept. 6.—Another phil-
lip has been exchanged in the New
York controversy over the proposed
revision of section 97, Superintendent
Beha addressing Julian S. Myrick, pres-
ident of the New York Association of
Life Underwriters, under date of Aug.
31 and replying to Mr. Myrick's recent
answer to Mr. Beha. Thus far no con-
clusion has been reached and Mr. Beha
is still firm in his conviction that Mr.
Myrick's firm conviction is unjustly
held. In this new letter, Mr. Beha
makes no added appeal, but he explains
in further detail some of the agents'
objections to the measure, writing as
follows:

No Fundamental Change

"Your letter of Aug. 23 and the mem-
orandum of your committee dated April
12, 1928, which you reaffirm, contain
statements to the effect that the pro-
posed amendments involve 'a funda-
mental change in the law.' I have re-
peatedly pointed out to your committee
that such statements are misleading. I
have stated in my memorandum of Aug.
14 and elsewhere that the proposed
amendments do not involve radical
changes in the law. They do involve a
radical change in the measure of ex-
penses. The present measure of ex-
penses is out of date. It is based on a
mortality table and certain arbitrary
assumptions which do not represent
even approximately the present-day ex-
perience of the companies.

"The fundamental and most impor-
tant principle of section 97 is the limita-
tion of acquisition expenses. Section 97
is beginning to become ineffective for
the accomplishment of this fundamental
principle laid down by the Armstrong
committee. The law should be amended
to preserve and strengthen this princi-
ple.

Abuses Do Exist

"No one with a knowledge of condi-
tions in the insurance field today has
denied that there are tendencies towards
extravagance. No good can come of
making public specific instances of such
imputed tendencies.

"You state 'Such abuses as the de-
partment stated to us seemed to your
committee to be of a character that
could be controlled by the department
under the present law' and yet in the
very next sentence you state 'We are
opposed to the extension of the bureau-
cratic control by the department,' etc.

WESLEY E. MONK RESIGNS HIS COMMISSIONERSHIP

RATE CONTROVERSY IS CAUSE

Massachusetts Insurance Chief Had
Proposed Higher Charge for Com-
pulsory Auto Liability Cover

Commissioner Wesley E. Monk of
Massachusetts has resigned following a
controversy with Governor Fuller and
other state officials over the announce-
ment that compulsory automobile li-
ability rates would be increased in 1929.
Herman A. MacDonald, secretary to
the governor, announced the resignation
at the governor's office. He said that
Commissioner Monk's action was vol-
untary.

Although the commissioner has main-
tained that present rates for the com-
pulsory coverage are inadequate, the
governor and Lieutenant-Governor Al-
len have opposed the proposed increase.
Attorney-General Warner also has op-
posed the increase.

Present Rates May Remain

In the opinion of Roger Clapp, as-
sistant attorney-general, the commis-
sioner's failure to file the proposed rates
before he resigned means that the pres-
ent rates will continue in effect until
1930. He quoted the insurance law of
the state to the effect that rates shall be
filed on or before Sept. 1 of the year
in which they are made, but shall not
become effective until the following
year.

"I have nothing to say; I am a pri-
vate citizen now," Mr. Monk said be-
fore he left his office. The statement
was made in answer to the question
whether the commissioner thought the
present rates for the compulsory cover
would remain legally in effect.

Control by law is not bureaucratic con-
trol. Bureaucratic control consists of
the department assuming functions
which the law does not give it and yet
your committee is urging the very thing
which you state you are opposed to. I
am for control by law and not by de-
partment. As I pointed out to your
committee repeatedly expense allow-
ances to agents are not controlled by
the present law. I discussed with you
expense allowances which are not called
commissions but which are in fact com-
pensation, but none of your committee
nor anyone else has pointed out any ef-
fective way of controlling such acqui-
sition expenses under the present law. No
one has pointed out any fair and equita-
ble way of handling under the present law
acquisition expenses in connection with
total and permanent disability benefits,
double indemnity benefits and stand-
ard business. The increasing volume of
group insurance has upset all the origi-
nal calculations under section 97.

Company's Views Cited

"One of the few companies opposed
to the proposed amendments has made
the following admissions: 'I fully real-
ize that under pretense of supervising
old business, allowances have been
made which this office believed were in
fact compensatory inducements.' * * *

FINANCIAL SECTION PROGRAM IS ANNOUNCED

HINEBAUGH IS CHAIRMAN

Many Topics Will Be Discussed at
Meeting in Connection With Ameri-
can Life Convention

W. H. Hinebaugh, president of the
Central Life of Chicago, chairman of
the financial section of the American
Life Convention, has announced the
program for the meeting of that depart-
ment to be held at St. Louis, the after-
noon of Oct. 9.

Chairman Hinebaugh was assisted by
Robert J. Merrill, vice-president of the
United Life & Accident of Concord, N.
H., secretary of the financial section, in
the preparation of the program.

Details of the Program

The complete program for the finan-
cial section follows:

"Life Insurance Investments of the
Future," T. D. Torrens, vice-president
and loan officer for the Kansas City Life,
Kansas City.

"Should the Investment Laws Affecting
Life Insurance Companies Be Liberalized,
and How?" R. T. Byers, vice-president
and loan officer American Central Life,
Indianapolis.

"Real Estate Appraisals with Special
Reference to City Property," Mark Levy,
real estate investment expert, Marquette
building, Chicago.

"Bonds and Stocks as Investments for
Life Insurance Companies," Wilbur S.
Sherwood, assistant treasurer, Travelers.

"Real Estate Title and Title Insurance
as Protection to Investors," Herbert
Becker, vice-president Chicago Title &
Trust Company, Chicago.

Reports of Committees:

Committee on Farm Mortgages, Judge
C. B. Robbins, president Cedar Rapids
Life, Cedar Rapids, Ia., chairman.

Committee on City Mortgages, Walter
H. Eckert, general counsel Federal Life,
Chicago, chairman.

Committee on Investment Laws, F. H.
Rowe, president American Bankers, Jack-
sonville, Ill., chairman.

Election of officers.

Nevertheless we have been aware for
many years that some competitors have
found ways to offer inducements to our
agents in addition to the authorized
scale of commissions. No one has
pointed out any effective way of check-
ing such abuses under the present law.

"With further reference to your
statement with regard to the 'extension
of bureaucratic control by the depart-
ment,' the proposed amendments do not
extend departmental control. As stated
in my memorandum of Aug. 14, the
amendments would place in the law it-
self more adequate control upon the
compensation that may be classed as
commissions paid for the production of
new business.

"No one has effectively denied that
the eight principal objects to be accom-
plished by the proposed amendments, as
outlined in my various memoranda,
would benefit both the public and the
companies generally. You have offered
no remedy except departmental control.

"In your letter of Aug. 23 and your
committee's memorandum of April 12,
you state that you see no reason for

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SPECULATIVE COMPANY DENOUNCED BY FREEDY

Wisconsin Commissioner Gives
Views in Address in
Milwaukee

REVIEWS LAPSE PROBLEM

Agents' Compensation a Factor—Says
Reformation Needed or New Inves-
tigation Will Result

MILWAUKEE, Sept. 6.—The organ-
ization or operation of life insurance
companies on a speculative basis was
denounced by Commissioner M. A.
Freedy of Wisconsin in an address be-
fore the annual agency convention of
the Old Line Life. He said that life



M. A. FREEDY

Wisconsin Insurance Commissioner

insurance companies are nothing more
than trustees collecting funds which
make them of a quasi-public nature. A
company accumulates the earnings on
such funds, and guaranteeing, in ac-
cordance with the provisions of its
policy, to pay a stipulated sum in the
event of death or at the termination of
the contract. The management, he said,
can therefore not escape the responsi-
bility of an honest, conservative, eco-
nomical stewardship of its trust funds
and no doubt this is one of the great
reasons for the creation of departments
of insurance, for the purpose of offering
that supervision and regulation which
will to the greatest possible degree pro-
tect the interests of the policyholders
and companies alike.

Some Cases Beyond Department

He said that within the last week
there has been reported an instance
where it is alleged that a large amount

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W. F. GRANTGES GOES WITH NORTHWESTERN NATIONAL

BECOMES AGENCY DIRECTOR

Move Surprises Insurance World—Taylor Gives Best Wishes to Former International Man

ST. LOUIS, Sept. 6.—W. F. Grantges, former head of the agency department of the International Life of St. Louis, has entered upon his new duties as agency director for the Northwestern National Life.

The decision of Mr. Grantges to join the company headed by O. J. Arnold, president of the American Life Convention, came as a real surprise to the insurance colony of St. Louis, as it followed upon the very heels of an official announcement that he had been offered and accepted a vice-presidency in the agency organization of the Missouri State Life, which reinsured the business of the International Life.

While Mr. Grantges' decision to join the Northwestern National Life was somewhat sudden and quickly reached, he joined that company with the best of wishes from President Hillsman Taylor and the controlling stockholders of the Missouri State Life.

Arnold Still Active

His new position with the Northwestern National is very similar to that he held with the International Life. However, President Arnold does not intend to withdraw as the active head of the agency organization of the company. It has been known for many months that President Arnold was looking about for a high class agency man to fit into his company's home office organization and he believes that in Mr. Grantges he has the ideal man for the post. Mr. Grantges will be closely associated with Mr. Arnold in new agency development work. He is one of the two officials of the International Life given a clean bill of health by the nine insurance commissioners who examined the company. There will be no change in the Northwestern National's agency organization.

Missouri State Given Preference

It is anticipated that a number of general agents, field supervisors and others connected with the agency organization of the International Life will go to the Northwestern National with Mr. Grantges. However, he has made it very clear that he does not intend to in any way interfere with the rights of the Missouri State Life to take over the agency contracts of the members of the International Life organization. But with the Missouri State Life, operating on the branch office basis it will be impossible for that company to profitably assume some of the general agency contracts carried by the International Life. When the Missouri State Life has exhausted its efforts to sign up a former International Life man Mr. Grantges will be willing to negotiate with them for the Northwestern National, but not until that time. He has made the statement that the International Life agents must see the Missouri State Life first.

Other Men Join

Frank Keenan, who was chief assistant to Mr. Grantges with the International Life, has been given a similar post with the Northwestern National. Other former International Life men who have already taken similar positions with the Northwestern National Life are: Guy Collard, division manager for Ohio and Indiana with headquarters in Cleveland; A. S. Maddox, eastern division manager with headquarters at Washington, D. C.; H. G. Neal, state superintendent for Indiana; H. B. Keck, general agent at Chicago.

LIFE CONVENTION MEET GIVEN HOTEL PREFERENCE

NOSES OUT WORLD SERIES

St. Louis Hotel Management Offers Delegates to Insurance Gathering First Call on Accommodations

ST. LOUIS, Sept. 6.—"Babe" Ruth and his Homeric homers for the first time in history have been compelled to take a back seat, for the management of the Statler hotel here has decided that the members of the American Life Convention and other visitors to St. Louis for the annual meeting to be held Oct. 8-12, inclusive, shall be given preference and be taken care of properly before any hotel rooms or other accommodations are extended to fans and fanettes who travel to St. Louis to see Ruth and his fellow New York Yankees battle the St. Louis Cardinals for the world's baseball championship.

With the St. Louis Cardinals out in front in the National League race by four and a half games as Labor Day passed into history, it seems almost certain that the Red Birds will be one of the parties to the annual baseball classic. This year under the rotation plan worked out by Lord High Commissioner of Baseball Landis the initial two games of the world series shall be played in the American League city and the next two in the National League town. This would mean games in St. Louis, probably, on Oct. 9-10.

Must Reserve Rooms Early

This conflict with the baseball tossers de luxe makes it imperative for all those planning to attend the American Life Convention meetings to send in their hotel reservations very early. If this co-operation is extended to the hotel management there is little chance of anyone being inconvenienced despite there will be many thousands of additional visitors to St. Louis. The possibility of witnessing the striking out of "Babe" Ruth with the sacks loaded by one Alexander the Great is quite some competition for even an American Life Convention gathering.

Exceptionally strong programs have been arranged for all of the sectional meetings of the American Life Convention and for the meeting proper. Attractive entertainment is also being planned by the local member companies, who have prepared for the largest meeting yet held.

Special Fares Offered

All of the railroads entering St. Louis, together with their connecting roads, have arranged their fare schedules so that all company representatives and members of their families attending the American Life Convention sessions may have the benefit of one and one-half fare on the certificate plan.

Tickets at the regular one-way tariff rates for the going journey will be placed on sale in sufficient time to accommodate everyone desiring to attend the convention.

So as to prevent disappointment it must be understood that the reduction on the return journey is not guaranteed but is contingent upon an attendance of not less than 250 persons holding regularly issued certificates obtained from the ticket agent from whom the going-journey ticket was purchased. Certificates issued to children at half-fare will be counted the same as certificates held by adults.

When the going-tickets are purchased the buyer should be sure to request a certificate and not a receipt, explaining to the ticket agent fully what is desired, so there shall be no mistake.

Immediately upon arriving in St. Louis the certificate should be presented to Mrs. L. F. Beymer, assistant secretary of the American Life Convention, at the convention registration desk in

ATLANTIC LIFE AGENTS HOLD ANNUAL MEETING

"ACES" GATHER AT QUEBEC

President Saunders Traces Company's Progress—Medical Director Presents Interesting Data on Disability

The annual "Aces" convention of the Atlantic Life was held at Quebec this week and was marked by an attendance of more than 150 home office representatives and field men. William H. Harrison, superintendent of agencies, made a few remarks of welcome to the opening session.

W. C. Woodard, general agent, Rocky Mount, N. C., and also a director of the company, became president of the "Aces" club, having paid for the largest volume in premiums during the club year.

President Saunders Speaks

The Tuesday morning session was featured by an important address by President E. A. Saunders, who traced the progress made in the development of the company in the past year. At the close of his address, he presented W. C. Woodard a sterling silver cup as a reward to the agency having the highest renewal record during the preceding year.

Robert G. Richards, agency secretary, addressed the convention. He presented convincing arguments that all underwriters should strive to make the utmost possible use of the tools placed at their disposal by the home office. In the course of his address, he traced the work of the agency department in recent months.

Urges More Discretion

Dr. Frank P. Righter, vice-president and medical director, made a talk in which he stressed the necessity of using great discretion and care in writing applicants for insurance. The agent should weigh carefully the merits of each case, he said. In speaking of disability income insurance, he took occasion to warn the convention of the vital importance of the moral risk involved in such insurance. He presented interesting figures showing the increasing amount of claims for disability presented to the company.

E. Lynn Gordon, assistant secretary, described the accounting practices of the company as well as the service which the company is in position to render policyholders with the aid of men in the field. He spoke particularly of the desirability of selling insurance on the annual basis, pointing out that the percentage of lapse on semi-annual basis is 50 percent greater than the annual basis, and the percentage of lapse on quarterly business is 100 percent greater than on the annual basis.

Program Benefits Both

R. R. Payne, general agent at Charleston, W. Va., in an address on "Analysis and Programming," showed clearly the benefits gained by both the client and the underwriter through a comprehensive presentation of a program of insurance in written form.

Advantage of owning life insurance in order to take care of estate and inheritance taxes was pointed out by Frank E. Welsh, of Prentice-Hall, New York, in an address on "The High Cost of Dying." Frank H. Sykes, vice-president of the Fidelity Mutual Life of Philadelphia, made an inspiring talk on the subject, "Sign Boards to Somewhere."

It was announced that the 1929 convention will be held at Richmond next year the first week in September.

Hotel Statler. She will arrange for the proper certification and validation of the certificates.

OLD LINE LIFE AGENTS GATHER IN MILWAUKEE

ANNUAL CONVENTION IS HELD

Commissioner Freedy of Wisconsin, Claris Adams and Dr. S. S. Huebner Are Principal Speakers

MILWAUKEE, Sept. 7.—Agents of the Old Line Life met in Milwaukee for their annual agency rally. The speakers included Commissioner Freedy of Wisconsin, Claris Adams, secretary-counsel of the American Life Convention, and Dr. S. S. Huebner of the University of Pennsylvania.

When the Star Leaders' Club held its annual meeting company officials announced that there was an increase of 46 percent in membership this year over the previous year.

Mr. Adams was introduced by Rupert F. Fry, president of the company. Life insurance as a great economic, social and political force in the makeup of this country was stressed in his talk, in which he discussed the business of life insurance as a whole. It is an economic institution of great magnitude and it collects from small savers, with the average policy being \$2,500. It is not a rival to banking or any other financial institution, he said, but supplements them. The glory of life insurance is that from the smallest company to the largest, the same product is sold by all, with the smaller companies serving as well as the large ones.

"Just now life insurance is going through its first scandal in a generation," he said, "but so sound is the business that it can go through the storm and no policyholder is to lose a cent. The life insurance business has the confidence of the public which makes people invest in a contract which probably will not be fulfilled in their lifetime."

Huebner Stresses Life Values

Dr. Huebner was the speaker Thursday afternoon and in his talk declared that if much of the terminology in use in the life insurance business was eliminated and every-day language used the public would know more about life insurance and would be able to get a clearer conception of it.

The complexion of the insurance business has changed in recent years so that today there is really no risk in insurance and the only risk being in the proper writing of the insurance so that the policyholder gets what he should have. The agents are the only members of the business who deal with the risk and hence they are really underwriters.

"Heretofore we have been looking at everything in the terms of material property but now the life underwriter must look on life values. The more the underwriter knows about property values the more he will know about life values. The human life should be appraised the same as property and the stamp of the dollar put on it. The story is the same for life value as for property value and everything that applies to property values applies to life values."

Japan is far ahead of the United States in its life insurance work, he said. He just returned from Japan, where he has been studying life insurance, and he said that over there they have taken the best features of the business from each country and put them all into effect at once. Life insurance is a compulsory study in every business course in high schools and universities. The government has a system of life insurance and now has 11,000,000 contracts on its books. There are also private companies operating in the country. The country is divided into 38 districts for the government life insurance system and each member of the medical fraternity serves in the cause. Periodic medical examinations are given to policyholders and if one is ill, he is given special medical rates until he is cured.

BORDEN AND KLINGMAN ARE VICE-PRESIDENTS

Go Up in Home Office Agency Ranks of Equitable Life of New York

TO AID FRANK L. JONES

Will Direct Educational and Production Activities Under New Agency Chief

NEW YORK, Sept. 6.—Thomas I. Parkinson, president of the Equitable Life of New York, has announced the election of two new vice-presidents, W. W. Klingman, manager at St. Paul, Minn., and Albert G. Borden, agency instructor in the home office. Mr. Klingman becomes second vice-president in charge of production and Mr. Borden second vice-president in charge of educational activities to succeed Dr. John A. Stevenson, both assisting Agency Vice-President Frank L. Jones. Two of the company's outstanding agency men have thus been promoted to important home office posts, completing the agency organization under the direction of Mr. Jones, formerly general agent at Indianapolis.

Klingman In Field

W. W. Klingman has been agency manager for the Equitable Life at St. Paul for several years. He has been one of the outstanding agency men, both in the company's ranks and in the business as a whole. His agency production has been about \$40,000,000 annually, exclusive of group insurance. Not only has Mr. Klingman been successful in business building, but his agency has been a training school for other managers, four of his former men now being outstanding agency managers with the company. There are also two important assistant managers, three home office men and three field school instructors who were brought into the business and trained by him.

Borden's Wide Experience

Albert G. Borden has been with the Equitable in agency work for the greater part of his business career. He is both a field man and a home office man, for many years being identified with the home office administration of agency affairs, particularly agency building plans and organization problems. At one time he was active in the Life Agency Officers Association, being secretary-treasurer for several years as well as a member of the executive committee. In recent years he has acted in the dual capacity of agency instructor at the home office and field producer, specializing in business life insurance. The agents under his direction have made an unequalled record, yet he is also one of the biggest personal producers in the company's ranks.

New Vice-President's Career

Mr. Klingman's career has been one of steady progress in the life insurance field and reveals the possibilities in the business for men of originality and aggressiveness. From an obscure country agent in a small Minnesota town he has advanced in 15 years to one of the highest executive positions in the Equitable organization. Mr. Klingman began his life insurance work with the Reliance Life of Pittsburgh in Nebraska. In July, 1913, he joined the Equitable and was made local agent at New Ulm, Minn. He did not remain there long, going to Mar-

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ADVERTISING MEN ARE ARRANGING PROGRAM

INTEREST IN THE EVENTS

Chauncey S. S. Miller of the North British Will Preside at the Get-Together Dinner

Plans are being formulated for the annual meeting of the Insurance Advertising Conference to be held at the Hotel Washington, Washington, D. C., Sept. 30-Oct. 1-3. The get-together meeting will be held Sunday evening, Sept. 30, with Chauncey S. S. Miller, publicity director of the North British & Mercantile, in charge. There will be motion pictures exhibited by members whose companies have put out films for exhibition and advertising purposes.

The keynote of the business sessions of the conference will be:

- Telling and selling:
- (a) The agents.
- (b) The public.

This slogan was adopted at the suggestion of W. W. Darrow, advertising manager of the Home of New York. There will be much said at the sessions regarding the actual and theoretical value and experience of company groups of institutional public relations experiments or plans.

Clifford Elvins, president of the conference, will preside at the first session. George E. Crosby of the Aetna Fire, chairman, will make the keynote address. The first scheduled talk will be by W. L. Barnhart, publicity director of the National Surety. He was formerly a salesman with its forgery bond department and later manager, special agent and assistant sales manager of the department. He has contributed a number of articles to "Printer's Ink."

Following Mr. Barnhart, O. B. Ryon of Streator, Ill., former counsel for the National Board of Fire Underwriters, who is acting in an advisory capacity in the public relations campaign of that organization, will give a talk outlining what is contemplated in National Board publicity campaigns.

Roger B. Hull, managing director and general counsel of the National Association of Life Underwriters, will speak on "The New Industrial Citizenship" at the Monday session.

Browne to Kansas City

H. O. Browne, assistant manager of the group department of the American National of Galveston, has gone to Kansas City, Mo., to join forces with Shannon C. Douglass and associates.

CENTRAL STATES MEN HEAR CLARIS ADAMS

McVOY REVIEWS PROGRESS

Los Angeles General Agent Gives Some Helpful Hints on Writing Large Policies

The most successful meeting ever held by the "Central States Life Club," composed of the \$150,000 producers of the Central States Life of St. Louis, was brought to a close with a brief address by President James A. McVoy, in which he reviewed the progress of the past and the bright outlook for the immediate and distant future.

Claris Adams Speaks

At the last session Claris Adams, secretary and general counsel of the American Life Convention, delivered a very stirring address on "The Economic Aspects of Life Insurance." President McVoy was not certain that Mr. Adams could reach St. Louis in time for the convention and for that reason his name did not appear on the printed program, so his brilliant speech was a surprise to the agents present.

Mansur B. Oakes, president and managing editor of the Insurance Research & Review Service, Indianapolis, spoke on "How to Spend the Field Time on a Bank Balance."

One of the very best addresses of the convention was the talk on "Hints and Pointers on Writing Larger Policies" made by George V. Shipley, general agent at Los Angeles. He touched especially on partnership and business insurance and also the value of life insurance in meeting inheritance taxes and similar obligations.

Best of Collateral

The contingencies that a partnership needs to watch out for are those that arise when it starts to lose money and the necessity for liquidation, which is most often caused by the death of one of the partners, Mr. Shipley pointed out. He stressed the necessity for safeguarding against such emergencies when the partnership is making money or breaking even financially.

He also told of the value of business insurance in refinancing when a tight money market prevails and it is most difficult to borrow even with the best of collateral, it being possible to borrow on a life insurance policy at 5 and 6 percent interest at all times regardless of the rate charged for commercial loans by banks and investment bankers.

MISSOURI STATE LIFE FORMALLY TAKES HOLD

Issues Certificates of Assumption of Business to Policyholders of International Life

TO MARKET OLD LEASES

Bankruptcy Referee Coles to Conduct Investigation Into Affairs of Toombs & Daily and Defunct Life Company

The Missouri State Life, which on Aug. 25 reinsured the \$325,000,000 life insurance carried by the International Life, on Aug. 31 began sending to the policyholders of the International Life a formal certificate of assumption of the policy obligations by the Missouri State Life.

This formal certificate when attached to the International Life policy gives it the same effect as if originally issued by the Missouri State Life, and is backed by the \$125,000,000 of admitted assets now credited to that company. On applications for International Life policies that were "in the mill" when the Missouri State Life took over the International Life insurance, Missouri State Life policies will be issued on the basis of what was applied for.

International Leases Offered

The Missouri State Life has also placed on the market the International Life's leases on its former home office headquarters in the International Life building, Eighth and Chestnut streets, St. Louis, and will dispose of International Life leases on office space in various cities throughout the country where such quarters are not needed to carry on the business taken over.

The International Life used about 40,000 square feet of floor space in the International Life building occupying the 13th to 17th floors, inclusive. The lease has about five years to run. It was assumed by the Missouri State Life when it took over the International Life.

To Probe Company Relations

On Sept. 5 before Referee in Bankruptcy Coles of St. Louis, receivers for the Toombs & Daily Company, Chicago, began to probe the complicated relationship of that company with the International Life in an endeavor to ascertain whether the insurance company now has any assets belonging to the Toombs & Daily Company.

Witnesses who have been notified to appear at the hearing before Referee Coles are W. F. Grantges, now agency director of the Northwestern National, former first vice-president and general manager of the International Life; B. O. McReynolds, who got the original option for the purchase of the International Life that was exercised by Roy C. Toombs in June, 1927; A. H. Carter, a former director of the company, who was in the group that sold out to Toombs; C. L. Brennaun, secretary of the International Company of St. Louis, a holding company that owned 23,624 shares of International Life stock; J. R. Paisley, a former president of the company; Massey Wilson, also a former president of the International Life and now one of the federal receivers for the life and holding companies; Robert E. Daily, actuary and acting superintendent of the Missouri department, who is acting for Superintendent Ben C. Hyde, as the other federal receiver.

On Sept. 10 E. P. Greenwood, president of the Great Southern Life of Houston, Tex., who lent \$1,000,000 to Toombs and the International Company,

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NEW VICE-PRESIDENTS OF EQUITABLE LIFE



A. G. BORDEN



W. W. KLINGMAN

NYLIC INCENTIVES and AIDS TO SUCCESS

Pioneering

Progress always requires pioneering. Someone must take the first steps, must lead in the exploring of new fields, must "go before and remove obstacles for those who follow."

In order to fulfill its obligation to humanity, life insurance must seek new ways of service, in addition to extending the old. And so it must have pioneers. The New York Life has always recognized this obligation.

Many years ago this Company undertook to pioneer in the field of sub-standard risks.

After a long and intensive study of declined cases, it found that special rates could be calculated, permitting, with safety, the acceptance of many risks which previously had been rejected.

On July 1, 1896, the Company issued its first sub-standard policy. Since then, the writing of insurance on impaired lives has been a part of the New York Life's regular service to the public, and has gradually been adopted by a majority of the larger companies.

To-day, Nylc Agents are enabled to obtain insurance for approximately three out of every five clients who otherwise would be declined.



New Home Office Building now being erected on the site of the famous old Madison Square Garden

NEW YORK LIFE INSURANCE COMPANY

DARWIN P. KINGSLEY, President

346 BROADWAY, NEW YORK

ABELS' OBSERVATIONS ON NON-MEDICAL PLAN

EXPERIENCE OF FRANKLIN

Vice-President Gives Some Suggestions to Agents as to Safeguarding Company's Interest

Henry Abels, vice-president of the Lincoln Life, at its recent agency convention made some comment on its experience with non-medical applications. He said:

"Most of you know that the Franklin was the first American company to adopt the non-medical application. We believed then that in a majority of cases, a medical examination would not be necessary to determine insurability if all questions in a non-medical application were asked, and the answers recorded, by a careful and conscientious agent. We still believe that the home office cannot accurately appraise the insurability of an applicant unless it has a complete and accurate record of his physical and family history. Under the old method this information was supplied by the medical examiner. Under the non-medical system we must depend largely upon the agent for it. Great responsibility therefore rests upon the agent, for the company must rely not only upon his faithfulness in obtaining full and correct answers to all questions, but also upon the thoroughness of his personal investigation of the health, habits and financial standing of the applicant.

Much Investigation Made

"Our non-medical application was designed after painstaking investigation and consideration to develop the information deemed essential to enable the home office (through its medical director, underwriters and reviewers) to reach an intelligent decision as to the insurability of the applicant. Each question in the form has a definite purpose and that purpose can be served only if questions are clearly propounded to the applicant and his answers are fully and accurately recorded. This applies not only to the questions pertaining to the applicant's physical and family history, but likewise to supplemental questions and agent's report on the back of Part I.

"When we adopted the non-medical method, we believed our agency organization as a whole was composed of careful, conscientious men. We still think so. But some of the agents seem to have gained the impression that by waiving the requirement for an examination by a physician, the company is not concerned about the physical condition or family history of the applicant. In other words, they seem to assume that recording answers to questions in the application is a perfunctory act and that the actual physical condition of the applicant is of no special consequence. Nothing could be farther from the truth because the company's standard of insurability has not been modified in the slightest degree.

Difference in Getting Information

"The difference between the old and the new plan is found in the method of securing information. Formerly we got it through the medical examiner, who generally had no direct interest in the company. Now we get it through the agent who is presumed to have a direct interest in the company's welfare. True, the medical examiner might get information in some cases by a physical examination that would not be available to the agent. On the other hand, we believe that the loyal, conscientious agent can and will get more detailed information concerning the physical history of the applicant and his family than was formerly secured by the more or less disinterested examiner.

"So the success of the non-medical

CLARIS ADAMS IS MUCH IN DEMAND AS SPEAKER

FILLS MANY ENGAGEMENTS

Secretary and General Counsel of American Life Convention Has National Reputation as Orator

ST. LOUIS, Sept. 6.—Clariss Adams, secretary and general counsel of the American Life Convention, has returned to his desk here after a speech-making tour that would do credit to a presidential candidate.

Mr. Adams is considered one of the best platform speakers in insurance and his services at agency conventions and similar gatherings of insurance men are much in demand. He has shown willingness to cooperate with all those extending invitations for addresses, even though it has not always been most convenient for him to fill all dates.

Addresses Clic Club

On Aug. 13 in St. Louis, he was one of the speakers at the Clic Club convention of the Continental Life of that city. He next appeared before the agency convention of the Business Men's Assurance of Kansas City, at Glenwood Springs, Colo. On Aug. 28 he was in Detroit, to address the agents of the Northwestern National Life of Minneapolis, of which O. J. Arnold is president. Mr. Arnold is also the president of the American Life Convention.

Two in One Day

Mr. Adams' next engagement was the morning of Aug. 30 at Milwaukee, where he spoke to the agents of the Old Line Life. Immediately after that meeting he hurried to Chicago to fill an engagement as one of the speakers at the agency convention of the Illinois Life that afternoon.

Boarding a night train, Mr. Adams hurried to St. Louis to address the Central States Life Club at the company's new home office building, 3663 Lindell boulevard, shortly before noon on Aug. 31.

Between times Mr. Adams has kept up with his other duties with the American Life Convention.

plan and its continued use is dependent "First, upon a clear understanding by the agent of his duty to the company to secure a full and accurate answer to each and every question in the application, and

"Second, upon the conscientious performance of that duty.

"A majority of non-medical applications which come here bear evidence of both knowledge and performance of the duty imposed, but some applications indicate clearly that answers were recorded without much real interest in the questioning, and this indication in many of such cases is supported by information we obtain from other sources.

"I am glad to be able to say that this latter class of agents is a small minority of the whole agency force, and I am confident that most of them when they really grasp the significance of the obligation resting upon them, will cheerfully comply with the company's requirements.

"Incidentally, I might add that the occasional instance where the application is signed in blank and the answers to questions are filled in later on by the agent from memory or from brief memoranda is so obviously objectionable that it need not be discussed.

"I realize, of course, that to many of you my remarks on the subject of non-medical applications are a familiar reiteration. I may say that the lowering of the gates at the railroad crossing is also a familiar repetition. Maybe we don't really need the warning as often as we get it, but if we didn't get it, we might in time grow careless and the results might be disastrous."

R. W. STEVENS ADDRESSES COMPANY'S ACE PRODUCERS

ANNUAL CONVENTION IS HELD

President of Illinois Life Expounds Doctrine of Soundness in Talk Before Agency Leaders' Club

In his address at the annual meeting of the \$100,000 Club of the Illinois Life held in Chicago last week, R. W. Stevens, president of the company, laid stress on the fact that sound underwriting and sound investment determine the character of a life company. With reference to the Illinois Life he said that the company throughout its history has been concerned with soundness in all its activities. He said that while many companies have met difficulty in their farm mortgage investment accounts, the

set his own quota if he is to be a success.

At the end of his address Mr. Stevens announced two new Illinois Life policies. One is known as the semi-paid-up at 75 and the other as the semi-endowment at 75. It also was announced that \$3,000 will be the minimum in which either policy will be issued unless a medical examination fee is paid.

Security Mutual's Summer Campaign

An increase in business during the summer months for the Security Mutual Life of Binghamton, N. Y., is attributed

to a great extent to the summer sales campaign which has just come to a close.

The entire campaign was built around the thought of the value of time and the importance of the proper use of it. Prospects books in different form, size and color were distributed to Security representatives each week of the campaign.

Over \$5,000,000 of new business was written the past two months and it is believed that the summer sales campaign was a contributing factor in the increased business for July and August,

1928, over the corresponding period of last year.

Choose Canada for Convention

Leading salesmen of the Connecticut Mutual Life will journey next fall to the Highlands of Ontario, President James Lee Loomis announced to over 100 of the company's 1927 leading producers gathered in their annual educational convention at Glacier National Park, Sept. 4-6. Bigwin Inn, situated at Lake of Bays, 140 miles north of Toronto, will be the scene of the 1929 gathering.



R. W. STEVENS
President Illinois Life

Illinois Life has had few farm mortgage foreclosures.

Speaking of methods of writing business he said in part: "The early race of the companies for volume was conducted on a more sound basis than is the present race for volume. If the rate makes the sale, let us go back to fraternal insurance and let it go at that. The rates of the great non-participating companies are as low as they can be made under the American Experience table, and therefore the demand for the American Men table. The prime object of life insurance is security. But if security costs \$2 less than security, what fool wants to save the \$2?"

Policyholders Are Safe

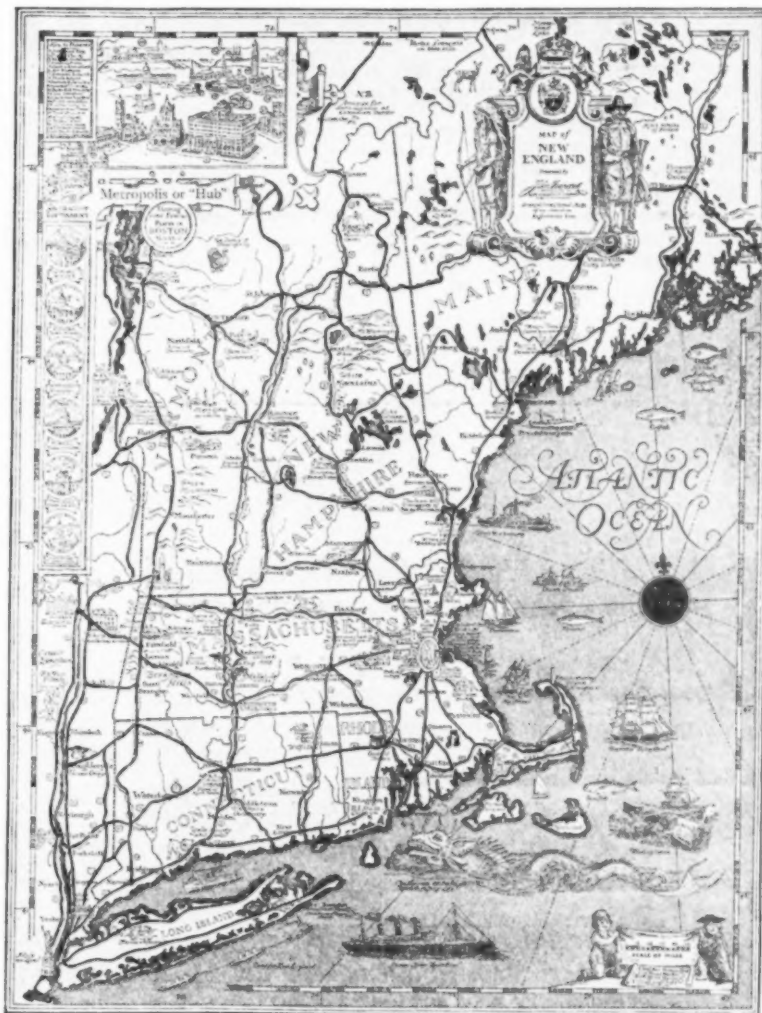
Mr. Stevens told the agents that the life insurance business has just seen a "horrible example" of what can happen to a life company. He referred, of course, to the International Life, which he said, was in a bad way for some time before action was taken to untangle its affairs. He added that no policyholder will lose a dollar by the Toombs defalcation.

The speaker asked that the agents be more explicit in stating the occupation of applicants for insurance, in order that time and money may be saved and in order that the underwriting department may more intelligently handle applications.

"The use of liquor," Mr. Stevens said, "presents a great underwriting problem—either the use, manufacture or distribution of liquor. The companies are declining many risks because of the liquor problem, and it is essential that underwriters know whether a man does or does not either use or deal in liquor."

Mr. Stevens said the agent who needs a home office quota is not worth giving one to. He said that each man must

From "OLD TIME NEW ENGLAND"



Unique Color Map for New England Motor Tourists

(32 by 17 inches.) Showing points of historic interest and chief automobile routes

If you are interested in New England, send for a copy of the map, mentioning the *National Underwriter*

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

Address Inquiry Bureau, 197 Clarendon Street, Boston, Mass.

FRATERNAL DIGEST FOR 1928 IS ISSUED

Complete Data Given on More
Than 300 Fraternal, 50 As-
sessment Associations

CERTIFICATES ANALYZED

Societies Treated Primarily as Insur-
ance Institutions—Includes Finan-
cial Statement Figures

The 1928 edition of the Fraternal Digest has been issued from the press of THE NATIONAL UNDERWRITER. There are 384 pages of condensed material, 84 more than the first edition published in 1927. Data is given for 300 fraternal and 50 mutual life associations.

The Fraternal Digest rounds out the statistical reference service in the books covering the life insurance field as pub-

lished by THE NATIONAL UNDERWRITER. Heretofore, the available reference material on fraternal had been published by fraternal publishers, treating these societies more from the standpoint of the fraternal side, whereas the Fraternal Digest treats them as insurance institutions, primarily.

Great Changes in Fraternal Field

Great changes have taken place in the fraternal field in the past two years and new plans of operation and the rerating of policies on legally established reserve bases, warrants the publication of a book dealing with these societies as insurance organizations. In fact, many fraternal have today let down the lodge activities and are emphasizing their insurance departments, using the lodge system as the agency for writing insurance business. The fact that the fraternal have now ten or fifteen billion insurance in force and wrote well over one billion new business in 1927 makes them a factor in the insurance business.

The Fraternal Digest has become a valuable reference book, therefore, for both agents of the "old line" companies and organizers and agents of the fraternal societies. The compilation of the Fraternal Digest is made similarly to the Unique Manual-Digest and Little

Gem Life Chart, which books cover the "old line" companies.

Analysis of Certificates

An analysis of the certificates used by the fraternal societies is made. The analysis is quite difficult to make because most of the contracts made by fraternal with their members involves the charter and by-laws. The certificate does not reveal all the restrictions and privileges which affect the insurance of the members. Furthermore, there is very little standardization in certificates of fraternal, although they are rapidly adopting clauses such as disability and double indemnity, settlement options and all the many features of the regular life insurance policies issued by "old line" companies. Uniform phraseology and standard phrases are gradually being used by the better fraternal.

Financial Figures Given

The Fraternal Digest shows quite completely figures on assets, liabilities, reserves, income, disbursements and other items of the annual statement. Rates are shown on the various plans of insurance, as well as dividends and cash values by fraternal which are granting these benefits. The valuation ratio is given, which indicates the percentage of solvency, and in most cases it is neces-

sary to differentiate between the old and new business, owing to the fact that a legal reserve basis has been adopted in most cases in recent years. Where obtainable, the annual statement figures in the Fraternal Digest show the different classes of business.

The publishers believe that the Fraternal Digest will be of assistance not only in the standardization, but in the raising of standards of insurance business as conducted by fraternal, through the publication of facts relating to the issuing of insurance certificates.

Assessment Life Companies Shown

In this publication, mutual and assessment life companies are shown which operate, of course, on an entirely different plan than fraternal. The assessment companies, particularly the larger ones, have modeled their policies and benefits in a large part after the old line companies. Rates are on 3½ and 4 percent reserves and these are shown in the Fraternal Digest, as well as dividends, cash values and other useful information.

Copies of the new edition of the Fraternal Digest may be obtained from the office of the publishers, 420 East Fourth Street, Cincinnati, or any other office of THE NATIONAL UNDERWRITER, at the regular price of \$2.

CLUB LEADERS ARE NAMED

Vice-President Buckner of New York Life Gives Chairman and Vice-Chairman of \$200,000 Organization

NEW YORK, Sept. 6.—Leaders in the "Two Club" of the New York Life have been announced by Vice-President Thomas A. Buckner. For the 1928 club year 754 members have qualified, compared with 714 last year, and the total paid for by these 754 members was \$177,593,035, a gain of over \$6,500,000 over last year. The leaders in the various divisions of this \$200,000 club are as follows:

Atlantic, southern and gulf departments: Chairman, H. P. Griffith, Johnstown branch, 169½ applications for \$377,195; vice-chairman, S. J. Stahl, Erie branch, 92 applications for \$307,790.

Greater New York department: Chairman, Meyer Mikelbank, Springfield street branch, 103½ applications for \$351,875; vice-chairman, Jacob Kinsley, Nassau branch, 76 applications for \$333,000.

Central, northwestern and southwestern departments: Chairman, A. J. Norton, Nebraska branch, 232 applications for \$355,417; vice-chairman, George A. Sutherland, St. Paul branch, 170¼ applications for \$308,500.

Eastern, northeastern and great middle departments: Chairman, S. L. Goldman, Euclid branch, 82 applications for \$304,875; vice-chairman, Louis Goldstein, New England branch, 81½ applications for \$318,000.

Western and Pacific departments: Chairman, J. P. Mendoca, Stockton branch, 153½ applications for \$303,450; vice-chairman, W. B. Ligon, Sacramento branch, 107¾ applications for \$380,212.

Particular reference is made to Mr. Norton of the Nebraska branch, who averaged 20 applications a month.

New Louisville Company Starts

The Louisville Life & Accident has made its deposit of \$100,000 at Frankfort and has been licensed to write business. It will write both commercial and industrial life insurance and also health and accident insurance. White L. Moss is president; C. F. Thomas, former state insurance commissioner, is vice-president; James C. Willson is vice-president; Robert C. Logan is another vice-president; B. F. Ewing is secretary and M. C. Jenks is assistant secretary. W. W. Thum, an attorney, is one of the directors and is general counsel. Its office is in the Starks building, Louisville.



*President Henry Merriam entertained an idea
—from every angle—for many months.*

*A year ago he called for a few volunteers to
try out a plan—a little record that automatically
analyzes the fieldman's work if he will give it
five minutes a day.*

*Seventy-five percent of the volunteers IN-
CREASED their production an average of
\$44,473.00 each in an average of 7 8/10 months.*

*Individual INCREASES ranged up to \$15,-
000.00 per month over periods up to twelve
months.*

*More men are adopting the plan—naturally—
for the experiment succeeded.*

*It is easy to talk about Home Office Help—
not always easy to show results. These figures
show results.*

The Franklin Life Insurance Company
Springfield, Illinois

MUTUAL TRUST AGENTS HOLD LIVE CONVENTION

**Announce Increase in Dividend
Schedule—Name Honor
Club Officers**

PETERSON GIVES SPEECH

**Number of Interesting Discussions on
Program—Douglas E. Thompson
Urges Contact with Policyholder**

Announcement of a 40 percent increase in dividends to become effective May 1, 1929, was the outstanding feature of the convention of the "Old Faithful" club of the Mutual Trust Life of Chicago held last week at Bemidji, Minn.

Chicago carried off all honors in the company's country-wide production when all three officers of the "Old Faithful" club were announced. A. E. Thompson of Chicago is the new president. Oliver R. Aspegren is vice-president and Albert Swanson is treasurer. The meeting got under way at a luncheon Tuesday noon when Vice-President Peterson in a word of welcome introduced the three new club officers. Mr. Thompson responded in a very pleasing manner. He has been in the life insurance business for 40 years, the last 23 of which have been with the Mutual Trust.

Benjamin Sherman of Boston was the leader in number of lives insured. He covered 390 lives in 1927, which gives him better than one policy per day. Alfred Cournoyer of Marlboro, Mass., was second with 167 lives.

Home Office Represented

The home office was well represented at the convention by Vice-President Peterson, A. B. Slattengren, secretary; E. A. Isaacson, superintendent of agents; L. R. Lunoe, manager of the New England department; George A. Matlock, field supervisor for the central area, and Douglas E. Thompson, home office executive assistant.

The Wednesday morning session was called to order by Vice-President Peterson. This session was given over entirely to the sale. Halsey Steins of Chicago gave a presentation on finding prospects. Mr. Steins went to Chicago as a stranger and has devoted his entire time to cold canvassing with a carefully selected list of prospects. Mr. Steins says he looks for executives or semi-executives. He is now using a university alumni list. From 130 names, or rather 130 calls, he has 26 prospects. On a list of credit men he kept careful record and in seeing 257 people on cold canvass in two months got 79 prospects. He is writing a splendid volume and his future success lies in having access at future times to these men with whom he has made contact.

Let Prospect Talk

In discussing the sales presentation Myer Greenberg of Hartford in a very humorous talk said: "Let the prospect do the talking. Be a salesman first, last and always and give the prospect what he wants. Find out what his life insurance needs are and then let him have the kind of a policy that he wants."

William F. Larsen of Springfield, Mass., spoke on "Selling Retirement Annuities." Mr. Larsen specializes on annuities and in his talk gave several actual demonstrations of the values of retirement annuities.

In discussing business insurance L. H. Minkel of Fort Dodge, Ia., said: "I go to the county clerk's office and get the list of prospects there. In going after a business insurance case I take the key man and make my presentation to him

BIG NEW YORK GENERAL AGENCIES MAKE GAINS

AUGUST IS VERY GOOD MONTH

**Charles B. Knight Agency of Union
Central Life Leads City with
\$3,565,792 of Business**

NEW YORK, Sept. 6.—New York life insurance general agencies continued their gains of the year during August. Several offices again reporting gains of from 15 to 25 percent for the month. Production for the year is thus maintained at a figure at least 25 or 30 percent above the same period of 1927, metropolitan New York territory standing out as the most prolific of business increases this year.

The Charles B. Knight agency of the Union Central, the largest agency in the city, though passed by one or two others in some recent months, again led the city with \$3,565,792, compared with \$3,517,000 last August. The year's business of this agency totals \$27,546,277, compared with \$26,655,588 in the first eight months of last year.

Hall Makes Big Gain

J. Elliott Hall, general agent for the Penn Mutual Life, reports \$2,937,450 for August, compared with \$1,619,840 a year ago, a gain of 80 percent, bringing his year's total up to \$24,296,890, compared with \$19,604,299, a gain of 20 percent.

Ives & Myrick, New York leaders for the year, paid for \$2,770,350 in August, a slight decrease from August of last year, but its eight months' total is \$30,878,321 compared with \$25,999,644 in the same period of 1927, a gain of 20 percent for the year to date.

Beers & DeLong, general agents for the Mutual Benefit Life, paid for \$2,240,217, compared with \$1,866,500 last August, and their year's total is \$20,580,568, compared with \$18,831,050. The Kederich agency of the New York Life had a \$2,000,000 month, paying for \$2,169,500 compared with \$1,133,500 last August.

Keffer Going Strong

R. H. Keffer, general agent for the Aetna Life, paid for \$1,807,700, there being no comparison available, as this agency is just opening its second year this month. Mr. Keffer's total for the year thus far is \$21,369,204. P. M. Fraser, general agent for the Connecticut Mutual Life, paid for \$1,563,700 compared with \$1,316,000 last August, his year's total of \$16,456,000 being over 15 percent in excess of last year's total to date. The Cunningham agency of the Mutual Life, the Ford agency of the Equitable Life of New York and the Harry Gardiner agency of the John Hancock all reported over \$1,000,000 for August.

and then with his consent I see the other men in the firm. I sell each man separately before I bring them all together in a general meeting. Business insurance always leads to more personal insurance on the individual. In a partnership by all means see the strongest partner first and talk to all partners separately before you talk to them collectively. Go into the new partnership. They are anxious to have their men succeed. They have just put a lot of their own money into it and they are still rather in the doubtful frame of mind and if you can show them where their investment will have an added factor they will be quick to listen to you." Eugene M. Warren of New Bedford, Mass., spoke on "Closing the Sale."

R. H. Schutz of the Retail Credit Company in Chicago closed the morning session with an interesting talk on credit reports.

At the afternoon session was D. L. McWilliams of Milwaukee, who spoke on "Selecting Prospects." Mr. Mc-

TRAVELERS TO WRITE ALL AVIATION COVERS

JUST ENTERING FIRE FIELD

**Companies of Group Have Been Writing
Other Lines—Will Accept
Direct Business Only**

Another important entry into the aviation insurance market is announced this week, the Travelers group being equipped to write all classes of aviation coverage, life, casualty and fire, effective Sept. 1. The company has been writing all but the numerous fire lines since 1926 and this month adds to its line, offering its agents facilities for all classes of coverage, fire, theft, transportation, accidental damage, property damage, liability, both public and passenger, cargo, compensation, tornado, life and accident. In making the announcement, the companies state that they desire the business, where conforming to their standards, and that a rapid expansion of the new class is expected.

Was Pioneer in Field

The Travelers was one of the pioneers in this field, as far back as 1919 contributing to the literature on aviation underwriting and for several years devoting much time and study to the underwriting of the casualty lines. Now it is adding the fire lines and thus offers a complete coverage aviation contract to those interested in the development of air travel. The experience on the lines thus far written has been satisfactory and the Travelers is desirous of further expansion as rapidly as consistent with sound development of aviation.

No Definite Policy Limits

In writing the various coverages, including the new fire lines, there will be no definite policy limits, a full coverage being issued to meet the needs of the risk. Only direct business will be written, no reinsurance being taken. Further expansion in all departments is contemplated and the group of Travelers companies is aggressively entering the field to acquire their share of the business now available and growing. In the life and accident field, the same expansion is true, both pilots and passengers being accepted, so that the needs of all in the air may be met.

Other Companies May Get In

This announcement of the Travelers is in line with the rapid development in aviation insurance and it is definitely known that a number of additional companies are now considering accepting certain of the aviation lines. One company has stated that it is closing arrangements whereby it expects to write aviation insurance in full coverage within three or four months. Another is considering it and, though not writing it at present, "expects it must write aviation insurance in full coverage within three or four months." Another is considering it and, though not writing it at present, "expects it must write it eventually." With the growing business available in this field and the growing demand for insurance facilities, more companies will doubtless enter the field and a very broad market will soon be available.

Williams first considers the man's ability to pay and thus selects the size and kind of policy he requires. He looks into the man's health and his ability to continue to pay. He made the statement that where there is a good life insurance agent there are always plenty of prospects of the right kind to buy life insurance.

John D. Goggin of Hartford, Conn., spoke on "Selecting the Policy for Present and Future Use." Mr. Goggin says there are three principles in fitting the policy to the man: (1) know

(CONTINUED ON PAGE 17)

CENTRAL LIFE'S FIELD LEADERS HOLD MEETING

**Members of Company's Outstanding
Sales Group Attend Conven-
tion at Home Office, Chicago**

JUDGE HINEBAUGH SPEAKS

**President Explains Difference Between
Man Who Writes \$100,000 and
\$1,050,000 Writer**

"The difference between a \$100,000 producer and a \$1,000,000 producer is the difference between a man who has mastered himself and a man who is not completely master of himself," said Judge W. H. Hinebaugh, president of the Central Life of Illinois, speaking at the company's home office in Chicago before the annual convention of the leading producers, members of leaders' club. The meeting was opened by S. B. Bradford, secretary of the company, who presided throughout the morning session. He introduced the president, the title of whose address was "Welcome." Judge Hinebaugh said his reason for his explanation of the differences between men was that no man is so much in business for himself, is his own employer, as is the life insurance field man. Only the field man can say how, and how hard, the field man shall work. To indicate how hard some others do, the speaker quoted statistics to the effect that 10 percent of all the representatives of legal reserve life companies in the United States produce 85 percent of the annual volume of business.

"I am not a \$50,000 or \$100,000 man," President Hinebaugh said in conclusion. "I would rather see this company grow on the basis of the \$2,000 and \$3,000 policy sold as protection to those who need it."

Actuary Talks on Policies

Wilbur M. Johnson, the company's actuary, followed Judge Hinebaugh. He explained some of the features of the company's recently revised policy forms. All of the principal forms have been changed with a view to making them at once more simple in construction, more logical in paragraph sequence and more explicit in their terms. For the phrase "agrees to pay," for example, the emphatic "will pay" has been printed on the face of each of the revised forms, which became effective Sept. 1.

Vice-President Charles Nadler of the company spoke on "Let's Do the Thing Right," a subject that was concerned with conservation. Mr. Nadler spoke briefly, but made it plain to his auditors that conservation of business is not the duty of the service department in the home office, but of the men in the field. "Doing it right" means, according to Mr. Nadler, "selling it right." During his talk it was pointed out that when a contract lapses it does so "in accordance with its terms," and that unless the terms expressly say the policy is canceled by lapsation it remains in force for some time, frequently for a number of years, on the extended insurance plan. Mr. Nadler advised the agents not to stress the advantages of the extension feature to a policyholder whose contract has lapsed, because frequently the policyholder will permit the contract to remain in force by extension rather than reinstate it at the earliest possible time.

The next home office speaker was Dr. T. W. Burrows, medical director, whose

(CONTINUED ON PAGE 25)

NEARING THE HUNDRED MILLION MARK OF INSURANCE IN FORCE!



The Continental Life Insurance Co. OF ST. LOUIS, MO.

Grows Stronger Every Day
42,000 Policyholders
Assets \$13,000,000

LIFE - ACCIDENT - HEALTH

A few more hustling agents wanted in
Highly Productive Territory

Close Home Office Cooperation

Write for particulars to

Continental Life Insurance Co.

Ed Mays, President
ST. LOUIS, MO.

ARE YOU READY FOR ADVANCEMENT?

HAVE YOU LOOKED FORWARD TO THE TIME WHEN YOU WOULD OWN YOUR OWN BUSINESS? HAVE YOU HAD THE AMBITION TO DO LARGER THINGS? WHY NOT CAPITALIZE YOUR ABILITY AND EXPERIENCE TO YOUR OWN ADVANCEMENT? BUILD YOUR OWN GENERAL AGENCY IN YOUR OWN CITY WHERE YOU ARE KNOWN. WHY NOT HAVE THE LARGER COMMISSIONS AND LONGER RENEWALS AND OVERWRITING COMMISSIONS ON THE PRODUCTION OF MEN YOU APPOINT.

WE HAVE SPLENDID GENERAL AGENCY OPENINGS IN MICHIGAN, ILLINOIS, OHIO, IOWA, MISSOURI, PENNSYLVANIA AND NEW JERSEY. IF WE HAVE NO AGENCY IN YOUR VICINITY, WRITE TO US.

WE OFFER YOU VERY DISTINCT ADVANTAGES

Splendid General Agency Contract, long term renewals.
All standard forms of policies, both participating and non-participating.
Liberal disability benefits.
Guaranteed Premium Reduction Coupons, beginning at end of first year, with further cash dividends each year after the second, making very low net cost.
Confidential communication is invited if you have a clean record and the ability to write insurance yourself and to develop a General Agency. You know your own ability and your own limitations. Can you measure up? Can you make this the turning point in your life, the door to the larger opportunity and larger income of which you have dreamed?

GIRARD LIFE INSURANCE COMPANY
Opposite Independence Hall
PHILADELPHIA, PA.

WELCOME AND GOODBYE LUNCHEON ARRANGED

WILL HONOR TWO BIG MEN

Chicago Life Underwriters Are Arranging Testimonial for Frank H. Davis and Alexander E. Patterson

Plans are under way for a mammoth welcome on part of the Chicago life underwriters to Frank H. Davis, who will become general agent of the Penn Mutual Life Oct. 1, succeeding Alexander E. Patterson, who goes to New York to open a new general agency for the company there. In addition to the welcome for Mr. Davis it will be a farewell party for Mr. Patterson. The life insurance men of the city, officials of companies, general agents and rate book men will all combine to give a testimonial to these outstanding men in life insurance. The luncheon will be held at the Palmer House, Sept. 26. Walter E. Webb, vice-president of the National Life, U. S. A., is chairman of the committee on arrangements and will preside at the luncheon. Clinton F. Criswell, secretary of the Chicago Life Underwriters Association, is secretary of the committee. The committee now being appointed consists of 25 or 30 men. Vice-President Hugh D. Hart of the Penn Mutual Life and Dr. John D. Stevenson, who takes charge of the home office general agency in Philadelphia, have been invited to attend and very likely will be present.

DES MOINES L. & A. HAS ANNUAL AGENCY MEETING

The annual three-day summer outing and agency convention of the Des Moines Life & Annuity was held at Lake Okoboji last week. The home office officials who were present at the sessions included J. J. Shambaugh, president; H. B. Bossert, agency supervisor; E. L. Shinnick, secretary, and Burton H. Saxton, vice-president.

The first day of the meeting Mr. Bossert presided as chairman. Talks were given by Mr. Shambaugh, Mr. Shinnick and Mr. Saxton, followed by a round-table discussion. The topic for the discussion was "Agency Problems."

In the evening the men and their families enjoyed a picnic dinner and boat trip around the lake.

Prof. S. S. Huebner of the University of Pennsylvania had charge of both the morning and afternoon sessions of the second day. "The Economics of Life Insurance" was the topic discussed.

A banquet, followed by a carnival dance at the hotel concluded the second day's work. At the banquet a talk was given by W. E. Bilheimer, well known insurance speaker.

The convention closed at noon on the third day, following a talk on "Sales Helps and Their Applications," by Harold S. Cummings, assistant superintendent of agents of the Minnesota Mutual Life.

Huff Views Insurance Abroad

Perez F. Huff, after a three months' trip to Europe, visiting Germany, Czechoslovakia, Hungary, Austria, Switzerland, Italy, England and France, is now in Paris. Mr. Huff has made a study of the insurance, financial and economic conditions abroad and finds them greatly improved. He is particularly impressed with the progress being made in Germany. Mr. Huff is accompanied by his wife and expects to return to America on the S.S. Ile de France, leaving Havre, Sept. 19. While in Berlin Mr. Huff interested several financiers in American insurance stocks, which are becoming popular investments in Germany.

VERLIN HARROLD SPEAKS TO PEOPLES LIFE AGENTS

ADDRESS IS INSPIRATIONAL

Lincoln National Life Reepresentative Tells His Auditors One of Their Duties Is to "Keep the Sugar Clean"

FRANKFORT, IND., Sept. 6.—"Keep the Sugar Clean" was the topic on which Verlin J. Harrold, superintendent of agents of the Lincoln National Life, spoke at the annual banquet here of the agents of the People's Life of Indiana, Aug. 31. Mr. Harrold electrified his hearers by his inspiring appeal to the neidmen to spread the gospel of protection in such an ethical manner that nothing but good may be said of American companies.

"The problem of the field representatives of life insurance companies is more complicated than that of the men in almost every other line of selling," Mr. Harrold said. You are constantly confronted with the problem of keeping self below service, and yet producing such a volume of business that you can acquire a competence.

Business on Service Basis

"It is a boast of mine, and one that I want to indulge in forever, that not one single line of commercial endeavor in America is conducted on such a lofty plane of service to our fellow citizens as the life insurance business. Show me a successful life insurance agent today and I will show you a man who is not only honest but industrious, not only dependable but independent, not only a good citizen but an asset to any community he resides in," Mr. Harrold declared.

"The value of life insurance is being enhanced greatly throughout the nation by reason of Mr. Harrold's powerful addresses," declared Arthur C. Louette, agency secretary of the local company, who introduced Mr. Harrold as the main speaker for the morning's program.

INSURANCE MEN FACTORS IN NEW YORK CITY BANK

NEW YORK, Sept. 6.—E. J. Jameson, president of the Globe & Rutgers; Wilfred Kurth, vice-president of the Home of New York, and Rogers Caldwell, prominently identified with a number of life and surety companies, are among the directors of the Commercial National Bank & Trust Company now forming in this city. It is to have an initial capital and paid in surplus of \$14,000,000, and will have as its senior executive Herbert P. Howell, for the past ten years vice-president of the National Bank of Commerce. Mr. Howell is likewise a member of the executive committee of the Bankers Trust Company and of the Equitable Life of New York.

A. M. Embry Agency Is 20% Ahead

The A. M. Embry Agency of the Equitable Life of New York at Kansas City, Mo., without an increase in the number of agents, is \$1,800,000 ahead of the first eight months of 1927 in paid business, a 20 percent increase. The paid business for August of \$1,821,000 exclusive of group, is the largest August in the history of the agency and the largest paid business for any month for three years.

This increase has been accomplished in the face of general adverse business conditions, by intense cultivation and education of the representatives in the field, to the end of developing their individual agents to a point of high quality, rather than to the appointment of numbers with a lower average production. A local school is held for the new agents, along with the home office correspondence course and the advanced home office school for agents.

TRYING OUT INDUSTRIAL IN HOME BAILIWICK

PROGRAM OF LIBERTY LIFE

Well Known Negro Company Is Building Up Excellent Service for Colored People

W. C. Ross of Flint, Mich., the leading producer of the Liberty Life of Chicago, the well known Negro company, in a talk before the agents' convention last week said that an agent in order to give the greatest service to his policyholders must study much and think about his business. One of the big contributions of life insurance agents to civilization is the teaching of thrift. He said that it is becoming more and more important to sell business that stays on the books. He said that agents hold their clients by interest and service.

Conservation Man Spoke

Charles L. Lewis, manager of the conservation department at the home office, declared in a talk that the agent determines the character of the business. If a company can get a good corps of agents, the lapse ratio will take care of itself. He said that agents should endeavor more and more to sell permanent business. If there is a high lapse ratio it shows that policies are improperly sold or policyholders are not adequately followed up. Business of high quality and persistency is desired by companies. He said that if an agent studies the insurance needs of a prospect and the policyholder feels that his policy is fitting some definite need, the tendency to lapse will be greatly reduced.

Liberty Life's Industrial Program

In connection with the writing of industrial insurance, Luther F. Simpkins, director of agencies, stated that the company is endeavoring now to establish itself on an industrial basis in Chicago and until it had worked out a plan successfully in its home city it would not extend the writing of this business elsewhere.

William A. Reed, who is head of the industrial department, stated that the Liberty Life began writing industrial insurance in Chicago about two years ago. It now collects some \$45,000 to \$50,000 a year in industrial premiums. It issues only a whole life policy. It gives the full benefit from the start. The limit is \$500. He said that the company had built up a very excellent organization in the city.

The gathering together and maintenance of an industrial organization, he said, is a difficult task. The agents must know how to acquire business and get the kind that will stick. People are prone to drop industrial insurance far more readily than ordinary policies.

Lapse Ratio on Industrial

The Liberty Life lapse ratio on its industrial insurance is about 48 percent which is far below the average. The company now is reaching out throughout the sections of the city where the colored people live. It has far better facilities for collecting premiums than when it started.

The home office people that spoke at the convention were Luther F. Simpkins, director of agencies; E. H. Carry, vice-president; Earl B. Dickerson, vice-president and general counsel; W. Ellis Stewart, vice-president and secretary; M. O. Bousfield, president; Rev. R. L. Braddy, vice-president.

H. C. Gates Speaks

Henry C. Gates, assistant to Darby A. Day, Chicago manager of the Union Central Life, spoke on "The Life Insurance Business." He analyzed first the growth of life insurance and next the growth of Negro life insurance com-

STANDARDIZATION PLAN FOR AGENTS LICENSES

HEARING WILL BE ARRANGED

Committee of Insurance Commissioners Will Take Up the Subject at Chicago Conference

A meeting of the sub-committee of the National Convention of Insurance Commissioners on standardization of applications for insurance agents' licenses and requisitions has been called for Sept. 20 in Chicago by Commissioner Howard P. Dunham of Connecticut, chairman. The other members of the sub-committee are Commissioners M. A. Freedy of Wisconsin and C. D. Livingston of Michigan.

All insurance companies interested are invited to send representatives to this meeting. Among the organizations, the following probably will be represented: National Association of Mutual Insurance Companies, Association of Life Insurance Presidents, National Bureau of Casualty & Surety Underwriters, Workmen's Compensation Publicity Bureau, Federation of Mutual Fire Insurance Companies, National Association of Insurance Agents, Fire Underwriters Uniformity Association, National Association of Automotive Mutual Insurance Companies, National Board of Fire Underwriters and American Life Convention.

The sub-committee will submit its report to the National Convention of Insurance Commissioners, to be held at Rapid City, S. D., Sept. 24.

The hearing will be held at the Edgewater Beach Hotel, Chicago.

SUN LIFE MEETING AT BANFF

President Macaulay in Attendance—James W. Simpson, Chairman Agency Executive Committee, Presides

BANFF, ALTA, Sept. 5.—Agents and officials of the Sun Life of Canada are attending the convention of the company here this week.

President T. B. Macaulay and Vice-President A. B. Wood are in attendance. James W. Simpson, chairman of the agency executive committee, is presiding at the meetings. Other officials taking part in the program are: George H. Harris, supervisor of the field service bureau; J. B. Mahon, assistant actuary; H. O. Leach, superintendent of agencies, United States department; W. S. Penny, superintendent of agencies, Canadian department; C. B. Buckley, secretary of the agency executive committee, and J. Lafontaine, assistant supervisor, group department.

Mutual Trust Makes Plans

October will be policyholders' month with the Mutual Trust Life of Chicago. The company has already sent out lists of all policyholders of the company to every agent. In addition a letter has been sent out to every policyholder stating that he will be called upon sometime during the month of October by an agent of the company. In addition to this a special copy of the "Mutual Trust Record," the house organ of the company, will be mailed to each policyholder. It is the aim of the company to have an agent call on every person who has been insured by the company in the past five years.

panies, detailing for his hearers the position of the Negro companies as to assets, liabilities, business in force and kinds of insurance written. After speaking for about half an hour he called for questions. They were asked in great numbers and Mr. Gates' talk developed into one of the educational features of the convention.

EDITOR CHARLES DOBBS EXPIRES SUDDENLY

HAD LONG NEWSPAPER CAREER

As Editorial Head of the "Insurance Field" He Gained Wide Distinction as a Writer

The insurance fraternity was shocked to learn of the sudden death of Charles Dobbs of Louisville, editor in chief of the "Insurance Field," late Saturday afternoon. He was sitting in his chair at his home after having spent a time at the Audobon Club, arriving home about 5 o'clock. He complained that he felt tired and weak but Mrs. Dobbs was not alarmed as to his condition. She left him reading the evening paper. Shortly thereafter she returned from the garden to where Mr. Dobbs was sitting and found him in the chair dead. Col. Dobbs was an outstanding factor in insurance newspaper work. He had been connected with the "Insurance Field" since 1905. When he entered



COL. CHARLES DOBBS

the employ of the "Insurance Field" he at once began a study of various classes of insurance and their relationship to general business. When C. I. Hitchcock, president of the "Insurance Field," died, Mr. Dobbs was chosen as editor in chief. Young E. Allison, Sr., taking Mr. Hitchcock's place, Mr. Dobbs was a vigorous, analytical, incisive writer with a knack of penetrating deeply into a subject. He appeared at times before insurance bodies and his addresses were always finished and showed profound study. His particular forte in connection with the "Insurance Field" was the championship of legal reserve life insurance. Mr. Dobbs had a particular flair for life insurance editorial work. In that field he was better known than in any other.

Was at West Baden Meeting

The last convention of note that Mr. Dobbs covered was the meeting of the executive committee of the National Convention of Insurance Commissioners at West Baden Springs, Ind., early in June. At that time he complained of being worn out. He left soon afterwards on a trip east going to Johns Hopkins University Hospital at Baltimore for observation and later to the Life Extension Institute in New York. It then became apparent that Mr. Dobbs was afflicted with a serious case of heart trouble. Returning home to Louisville, his work at the office of the "Insurance Field" was more or less intermittent. He would spend part of the day at his desk or would not appear at the office at all. He was under the care of a physician. He was at his work Saturday

CONNECTICUT MUTUAL AGENTS ARE MEETING

SUBJECTS ON THE PROGRAM

Leaders Who Qualified Are Holding Their Convention This Week at Glacier National Park

The Connecticut Mutual Life agency club is holding its educational conference in Glacier National Park this week. The program is devoted largely to a discussion of modern methods of programming insurance estates, business insurance and income insurance. Practical sales plans and methods were discussed. Besides nine officers the persons qualifying for this conference are coming from 39 of the company's 66 agencies. There are 14 general agents and 20 district agents and supervisors in the party. The five leading agencies in number of representatives in attendance are the Fraser agency of New York; Rochester, N. Y., agency; St. Louis agency, the Fohr agency of Chicago and the Regan agency of New York being tied for fifth place. There are 23 producers that have paid for more than \$500,000 each. In personal paid business several have produced considerably over \$1,000,000 during the last 12 months.

morning however and although it was known he was in bad physical condition his demise was unexpected.

Interest in Military Affairs

Col. Dobbs took a great interest in military maneuvers and practice. Indeed it is a question whether his heart trouble was not largely accentuated by his intensive military work. He spent two weeks each year in camp. He made a careful study of military tactics bringing about his promotion to rank of lieutenant colonel. He was intensely interested in military problems and worked them out with agility.

Another hobby that Mr. Dobbs had was his study of the life and history of George Washington. He collected a large number of books relating to Washington and had one of the most complete libraries on this subject. He wrote some monographs on Washington and was regarded as an authority on him. He had some very original ideas about Washington and his fund of information on this subject seemed inexhaustible.

Mr. Dobbs was a devotee of golf and played the game whenever he had opportunity. During the last few months however his condition kept him from the golf links. He was a typical son of the south, full of sentiment, companionable and cordial. He had a highly sensitive nature that readily registered impressions. In his daily routine he worked hard and intelligently.

Events in Mr. Dobbs' Life

Mr. Dobbs had been with the "Insurance Field" since 1905, except for the war period, when he was in the service. He was born at Lexington, Ky., a son of Rev. Charles E. Dobbs, a Baptist minister, and was a descendant of Governor Arthur Dobbs of North Carolina (1754-56). His boyhood was spent at Columbus, Miss. He was educated at the Mississippi A. & M., and Bethel College, Russellville, Ky. More than 30 years ago he entered the newspaper field, and served as telegraph editor, dramatic editor and editorial writer for the Louisville "Times," and at one time was a member of the staff of the New York "World."

Active in Military Life

During the World War he was commissioned a captain in the field artillery, and as assistant adjutant of Camp Taylor, Louisville. He remained active in the field artillery reserve, and in 1922

was made a major and in 1925 a lieutenant colonel, and was commanding officer of the 16th Regiment, F. A. R. D.

Mr. Dobbs had been a candidate for various offices on the Socialist ticket. He was a member of the Sons of the American Revolution, Pendennis Club, Audubon Country Club and Scottish Rite Masons.

Mr. Dobbs is survived by his widow, Mrs. Clara Landolt Dobbs, a son, George Whipple Dobbs, Jacksonville, Fla., newspaper man; two brothers, the Rev. Gilbert Dobbs, Carrollton, Ga.; and the Rev. Willoughby E. Dobbs, New York; a sister, Miss Annie Dobbs, of Indianapolis, and two grandchildren.

Funeral Services

Funeral services were held at the home in Audubon Park on Tuesday morning, conducted by the Rev. Dr. Charles W. Welch. After the services members of the American Legion had charge of the ceremony. The body was taken to Cincinnati for cremation.

Active pallbearers were Brig. Gen. Ellerbe Carter, Lieut. Col. Frank Rash, Lieut. Col. Henry Stites, Lieut. Col. Fred L. Koontz, Capt. Peyton Hoge and Capt. Harvey White. The honorary pallbearers were A. P. Ryan, R. D. Pussey, R. Lee Redmon, Joseph C. Steidel, Young E. Allison, Sr., and W. E. Glossup.

Was Once a Socialist

During the earlier days of Mr. Dobbs' career with the "Insurance Field" he was very active in the Socialistic party. He became a candidate for numerous offices, spoke on the stump and wrote for socialistic magazines. Owing to Mr. Dobbs' facilities for seeing the working of capitalistic enterprises as exemplified in insurance he completely changed his opinion. He broke off entirely with his socialistic connections.

The American National Assurance of St. Louis has been admitted to Nebraska.

AS SEEN FROM NEW YORK

By C. C. NASH, JR.

(Nash of the National)

NO COMMON GROUND

With the passing of several months, several conferences and several exchanges of courtesies, companies, agents and department executives in New York are no nearer an agreement on the proposed changes in life insurance law in that state than they were a half year ago—or even three years ago, when the agents anticipated the department's action by going on record against it. Today, as when first considered six months ago, the agents stand firmly in opposition to the proposed changes which have been submitted by Superintendent Beha of the New York department and approved by the company actuaries. Mr. Beha wishes to go before the legislature with unanimous approval from those within the business, for at best it will be difficult to carry such legislation through successfully. He has again appealed to the agents. The agents have reaffirmed their position.

In all of this discussion, there is one phase that is not easily understood. Mr. Beha states that he has received no objection from company ranks and, assuming that silence means assent, he states that he therefore goes to the legislature with company approval. As the superintendent called these conferences with the single purpose of hearing objections and he called on the companies collectively—and some individually—to express any opposition they might entertain, his assertion should hold true. On the contrary, the agents' committee states that it has received numerous messages from companies sustaining the agents' opposition to the change, which would indicate that silence does not mean assent. What it does clearly indicate, however, is that the companies are apparently unwilling to come into the open and take their stand beside the agents. It is not easily under-

stood and some have expressed the opinion that perhaps the companies were "playing possum" and were awaiting the progress of the agents' case, willing to let them bear the brunt of the attack.

Not long ago, there were a number of companies openly and violently opposed to the changes proposed, particularly the change in mortality table. There is reason to believe that some of these, at least, have not since changed their opinion. Thus, it is not surprising to hear voiced the thought that, if an opinion is worthy of entertainment, it should be presentable to the public, especially when that public has asked for frank and open declaration of viewpoint. Fear of standing alone should no longer be a factor, since the agents have openly and courageously taken their stand. And the matter could easily be brought to peaceful conclusion, if those directing the activities could actually know where all stood. This is not alone a matter for New York agents and companies, though only a bill involving their business, for it is widely recognized that what affects New Yorkers will, in time, affect all agents and companies throughout the country. As one in the agency ranks recently said, those having opinions should openly state them—and those not having reached any conclusion should likewise declare their position, that they might be removed from the assumed ranks of advocacy or opposition.

A BUSINESS LIBRARY

Striking proof of the activities of the Policyholders Service Bureau of the Metropolitan Life came from that company's press last week, when Vice-president James L. Madden, who is in charge of that bureau, sent out the cumulative index of its publications. Some 30 pages of index are contained in this booklet, showing the vast

number of reports and booklets that have been issued on individual and general problems of business management, production, marketing and distribution, advertising and publicity, personnel relations, accident prevention and industrial health and hygiene. In the aggregate, these publications represent a vast library on business efficiency—as they represent great work and unceasing research into the most valuable source of material by those connected with this bureau.

BELIEVE IT OR NOT

Though the statement that his prospect was a newspaper reporter in 1919 and millionaire today may, in the minds of some journalists, put his tale into the class of summer sketches from the trout streams, there is a deal of merit in the illustration of follow-up work as given by Leon Gilbert Simon, noted member of the Equitable Life agency force in New York, in the current issue of that company's house organ, Mr. Simon, telling of the increase of the policy from \$7,500 to \$507,000 in nine years, with a promise of a \$1,000,000 line, wrote as follows:

"I first met this gentleman in 1919, at which time I had completed my first year in life insurance work. In so far as I had established a new record for first year production, which amounted to \$585,000, I received a write-up by one of the leading newspapers. This gentleman, who was then a reporter, was sent to interview me for the purpose of preparing a write-up. During the course of the conversation, I found he carried \$7,500 of insurance in other companies. I thereupon sold him \$7,500 in the Equitable, annual premium \$150. In 1922, I sold him \$50,000, additional, and in 1921 \$70,000 additional. In 1922, I sold him \$50,000, premiums \$1,894, and in 1925 \$200,000, premiums \$8,210. I have just delivered \$150,000 additional with premiums of \$7,580. In 1922 I sold his wife \$25,000

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THE AMERICAN CENTRAL LIFE INSURANCE COMPANY IS SOUND AND SUCCESSFUL

BECAUSE IT OPERATES UNDER THE INDIANA COMPULSORY DEPOSIT LAW WHICH PROVIDES THAT EVERY INDIANA LEGAL RESERVE LIFE INSURANCE COMPANY "SHALL DEPOSIT WITH THE AUDITOR OF STATE, FOR THE SECURITY AND BENEFIT OF ITS POLICYHOLDERS," AN AMOUNT WHICH SHALL NOT BE LESS THAN THE NET CASH VALUE OF EACH POLICY IN FORCE.

THINK IT OVER!

AMERICAN CENTRAL LIFE INSURANCE COMPANY
Old Line Legal Reserve Established 1899
INDIANAPOLIS

POTTER POINTS TO URBAN BUSINESS

Declares That Life Agents Should Seek Prospects in the Towns

URGES OLD AGE INCOME

Former Illinois Insurance Superintendent Speaks Before the Illinois Life \$100,000 Club

Fred W. Potter of Springfield, Ill., former Illinois insurance superintendent and former president of the National Convention of Insurance Commissioners, spoke last week before the Illinois Life agents convention and also the Central Life of Chicago convention. In his talk before the Illinois Life agents, Mr. Potter said that owing to the farm



FRED W. POTTER
Springfield, Ill.

depression, the companies are giving more attention to the cities where business is in better shape and more easily to be written. He said that the lapse ratio is very high in the country also. Inasmuch as people in the cities are able to buy larger amounts of insurance, it is necessary that the agents be better equipped to advise about insurance contracts because they are coming in contact with men of larger incomes.

Why People Buy Insurance

Mr. Potter said that the reasons that people buy life insurance are:

1. To replace earning power.
2. As property.
3. For ease and economy in transferring the estate.
4. For conserving the estate.

Mr. Potter believes in a more general urge of insurance for the man himself. He said that he carries with him at all times a policy that he took out, an endorsement at age 65. He believes that most men are greatly interested in providing something for their own old age.

Mr. Potter declared that agents squander a lot of time. Many of them do not work consistently. He said that he had studied the methods of Clay Hamlin of Buffalo, N. Y., who produces a large amount of insurance each year. Mr. Hamlin's canvass, he said, is based on two questions that he asks the prospect. The first is: What percentage of your total income do you wish made permanent for the benefit of your family when you are gone? He said that most men fix the percentage at about

NEW YORK LIFE'S ROSTER OF ITS \$200,000 CLUB

LEADERS IN ORGANIZATION

Chairmen and Vice-Chairmen of the Various Departments Comprise the Big Production Men

The New York Life announces the members of the \$200,000 Club for this year. There are 754 members this year as compared with 714 last year. They paid for \$177,593,035 during the club year, which is a gain of over \$6,250,000, as compared with the same period last year. H. P. Griffith of the Johnstown, Pa., branch is chairman of the Atlantic, Southern and Gulf departments. He wrote 169½ applications for \$377,193. S. J. Stahl of the Erie, Pa., branch is vice-chairman with 92 applications and \$307,790 insurance. Meyer Mikelbank of the Spring street branch in New York City is chairman of the Greater New York department with 103½ applications for \$351,875 insurance. Jacob Kinsley of the Nassau branch in New York City is vice-chairman with 76 applications and \$333,000 insurance. J. P. Mendonca of the Stockton, Cal., branch is chairman of the western and Pacific departments with 153½ applications for \$303,450 insurance. W. B. Ligon of the Sacramento branch is vice-chairman with 107¾ applications with \$360,213 insurance. A. J. Norton of the Nebraska branch is chairman of the Central, northwestern and southwestern departments with 232 applications for \$353,417 insurance. George A. Sutherland of the St. Paul branch and vice-chairman has 170¼ applications for \$308,500 insurance. S. L. Goldman of the Euclid branch at Cleveland is chairman of the eastern, northeastern and great middle departments with 82 applications and \$304,875 insurance. Louis Goldstein of the New England branch is vice-chairman with 81½ applications for \$318,000 insurance.

60 percent. Then another question is asked, what percentage of your own gross total income can be regarded as permanent? The majority will answer 40 percent. Therefore, Mr. Hamlin wants the gap filled up by life insurance.

Prospect Makes Own Analysis

In asking these two questions the prospect is analyzing his own condition. Mr. Potter believes that men of large affairs resent a life insurance salesman boring into their business. This question does not require a prospect to state what his income is or what his possessions are. It inquires as to what percentage of his present income he thinks will be sufficient for his family to maintain itself when he is gone. He is going over in his own mind what his income amounts to. He is thinking of the annual amount of money that his family will need. He therefore sets a definite figure in his own mind as to the income required.

The next question deals with the actual income that he can rely on as being permanent and continuous. He may have an estate consisting of numerous elements. He may have land or houses. These will require expense for maintenance. Suppose, for example, that a man figures that 60 percent of his income is \$12,000. He has established in his own mind \$1,000 a month as ample for his family. Then he begins to ponder in his own mind as to what income he can actually guarantee will be forthcoming out of his gross income. The average will run 40 percent. Therefore, Mr. Hamlin bridges the gap to life insurance by having a sufficient amount taken out to equal 20 percent which is lacking.

Mr. Potter said that he had had researches made into probate court rec-

CARL SLOUGH GOES TO KANSAS CITY LIFE

HAD EXCELLENT TRAINING

Becomes Agency Supervisor of the Company and Will Assist Vice-President J. F. Barr

Carl Slough of Cleveland has been appointed as assistant in the agency department to J. F. Barr, vice-president and superintendent of agencies of the Kansas City Life. Mr. Slough will serve the company as agency supervisor and assistant to the state managers in Michigan, Ohio, Indiana, Kentucky, Tennessee, Georgia and Alabama.

He has had a long and varied life insurance career. From 1903 to 1916 he was associated with the Prudential as agent, assistant superintendent, instructor and manager of the Chicago office.

Mr. Slough has later been secretary of the Federal Union Life of Cincinnati, and has more recently served that company in a consulting capacity in estab-



CARL SLOUGH
Agency Supervisor K. C. Life

lishing department efficiency and building sales organizations. He is the author of many widely read works on insurance, included in which is "Practical Life Insurance Salesmanship and Ginger Talks."

ords in Sangamon county, Ill., and finds that the actual average expenses of probating and handling an estate means a decrease of 12.6 percent in the face amount. Some estates require 28 percent to carry them through.

Therefore, if a man is counting on his family securing \$50,000 and he has that in good securities he can deduct 12.6 percent and get the net amount that will actually go to his beneficiary. If he leaves them life insurance there will be no shrinkage in the face amount.

Mr. Potter said that a man possesses a certain amount of ability. If he has time to carry out his program he will probably be able to accomplish what he is aiming to do. His ability is given to him. Time is an uncertain factor. If he had long time coupled with ability his future could be predicted. Insurance enables a man to carry out his program by eliminating the uncertainty. He can borrow time.

Stokey Presented Prizes

B. J. Stokey, secretary of the Illinois Life, presented the conservation prizes. W. N. Stafford of Chicago had a perfect record, renewing all his business last year. John J. Delaney of Illi-

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LINTON GIVES VIEWS ON INSURANCE TRUSTS

Provident Mutual Agents Told Income Insurance Should Be Backlog

HOLD THREE DAY SESSION

Company's "Quarter Million Club" Discusses Plans for Increasing Sales at Home Office

PHILADELPHIA, Sept. 6.—With its general theme "Definite Plans for Increasing Sales," the three-day session of the "Provident Quarter Million Club," wound up as one of the year's outstanding conventions of fundamental salesmanship principles.

Undoubtedly the outstanding talk of the convention was that of Vice-President M. Albert Linton on income insurance. Mr. Linton made a strong plea to the agents for this line and for a larger sale of income insurance.

He began by stating that income insurance is like religion, or that it is too complicated a subject for any one solution. In a large city, he declared, the life insurance trust is one of the biggest forces of increasing sales that life insurance men have.

Backlog of Every Program

He said that he never fails to preach the principle of a backlog of income insurance in every program. And yet at the same time, he said, the agent should be careful in writing insurance.

He declared that he has a boy 13 years old. He wants him to go to college. But many of those seeking admission to universities are turned away or flunk out the first term. If that happened to his son, Mr. Linton said, he wouldn't want him to have that \$1,000 a year. It would be bad for a boy that age to have that much money to spend.

The clause in the life insurance trust is much more comfortable, he said, than payments made without discretion. He pointed out that his son might graduate from college and want to take up post graduate work or there is also a possibility that the dollar might decline in value and the money under the option might not be sufficient.

Income Insurance Fundamental

Replying to the argument of trust companies that the business man change his income policies so that the lump sum is paid the trust company as trustee at his death, Mr. Linton declared that the backlog of income insurance is the fundamental thing while the life insurance trust is only supplemental.

The trust companies' security, he said, is far inferior to that of life insurance companies. In addition, the trust company gives no guarantee for the principle. All that is expected of it is that it use the proper judgment.

The second day's session of the convention was devoted to the basic theme of the gathering, definite plans for increasing sales, and the subject was covered in four 10 minute talks, followed by a general discussion.

Advocates Definiteness

W. B. Fowlkes, Jr., of Birmingham, was the first speaker. He advocated definiteness, and that if the agent started on one particular policy he should stick to that policy and not ramble around on other policies.

J. A. Parker of St. Louis, followed with a talk on definite presentation. Agents, he said, should give a prepared presentation, something the prospect can look at, something that he can visualize.

H. Sonneborn, Jr., of Philadelphia, showed the tremendous value of an intelligently planned direct mail campaign. He suggested that agents send out each day 10 letters ahead of their personal calls. This method, he said, lessens sales resistance and means more sales.

The fourth speaker, H. C. Gollop of Buffalo, has been in the business just a trifle more than a year and paid for \$600,000 in his first year. He spoke on "Larger Cases" and declared that any agent can do what he has done by raising his sights, thinking in larger figures and calling on one \$50,000 man a year.

Dr. S. S. Huebner of the University of Pennsylvania, who was the last speaker on the program, declared that the successful agent must know his goods and be honest. Knowledge without honesty could not succeed, he said, nor could honesty without knowledge. He declared that the endless chain is the secret of success and that the successful agent must think and plan for the future. The man who thinks only of today, he said, gets in a rut and stays there.

NATIONAL GUARDIAN RALLY

Annual Agency Convention of the Madison Life Company Was Held at the Dells

The eighteenth annual convention of the field force of National Guardian Life of Madison, Wis., was held this week at Kilbourn, Wis., site of the famous Dells of the Wisconsin river.

Attendance was based on personal production by members of the field force during the period from May until Sept. 1. Approximately 75 agents of the company qualified on this basis.

Principal speakers were Jules Girardin, of Chicago, agency member, Phoenix Mutual Life; W. D. Lipe, Chicago manager for the Peoria Life; George A. Boissard, president of the company; B. S. Beecher, vice-president in charge of agencies, and Richard Boissard, secretary and actuary.

On Wednesday evening, the annual dinner was held. Besides those in attendance at the convention, there were 25 girls from the home office who, after the dinner, put on a skit which was exceptionally well done and was well received.

The managers and supervisors held over Thursday for a session of their own organization, known as the Council of the National Guardian Life.

GET-TOGETHER FOR AETNA MEN AT DETROIT MEETING

Aetna Life delegates to the annual convention of the National Association of Life Underwriters will hold a get-together at Detroit on Sept. 11 the day before the formal opening of the convention.

The get-together which will consist of a morning and afternoon session and a banquet will be attended by company officials, general agents and "Aetnaizers." The home office will be represented by Vice-president K. A. Luther, Assistant Superintendents of Agencies L. O. Schriver and R. L. Place; John N. Adams, agency assistant; Dr. D. B. Craig, associate medical director, and Boyce Thomas, assistant secretary of the group division.

Principal speakers at the get-together will be Vice-president Luther, Mr. Schriver, General Agent S. T. Whatley of Chicago, Edwin W. Baker of the Edwards & Baker general agency at Detroit and Edward M. Deane of Grand Rapids.

Paul J. Bailey's New Post

Mansur B. Oakes, president of the Insurance Research & Review Service of Indianapolis, has announced the appointment of Paul J. Bailey as manager of the sales promotion and advertising department of that organization.

FORTY EXECUTIVES "GRADUATED" FROM OLD HART & EUBANK AGENCY

WITH the widespread publicity accorded the achievements of Hugh D. Hart and Gerald A. Eubank, the former in company ranks and the latter in the agency field, both nationally known during their combined activities in New York as Hart & Eubank, general agents for the Aetna Life, there has been much interest in the outcome of their New York agency organization. It was generally believed by many that this organization would break up, as it had been built so closely around the personalities of these two men, Mr. Hart guiding the fulltime men and Mr. Eubank directing the huge brokerage department. These predictions have been fulfilled, but not precisely in the manner predicted. The old Hart & Eubank agency has largely disintegrated, but not in the manner usually associated with that word. It is true that the former members of the agency have scattered to the four corners of the field, but as might be heard on the street, "how!"

Is Striking Example

Checking up on the former agency list, a startling case of agency development is seen. Today, within one year after the dissolution of the Hart & Eubank office, at least 40 of the members of that premier agency are to be found in positions of responsibility in the life insurance business, from company vice-president to agency supervisor. That speaks of itself for the type of organization these two men built. Their office was, in effect, a great training school for executive and managerial ranks. The members connected with it have scattered throughout the country, but at least 40 have bettered their positions and are now managers, general agents, departmental managers or supervisors for other general agencies. That speaks well for the type of agency building in which Hart & Eubank indulged. Companies and agencies have drawn heavily upon their ranks and found them worthy of advancement.

Shows Personality Value

While this indicates that a high caliber of men gathered itself about these two former general agents, it also stands as an illustration of the development of a brokerage office and its consequences. As recently stated by an outstanding agency official, the creation of a brokerage office is not development for permanency. And in this case, this office, the largest general agency in the world, built largely of brokerage contacts, has fallen apart as a result, Mr. Eubank, of course, carrying much of the brokerage business to Johnson & Higgins with him, but the organization itself splitting

into many units. It was built largely around Mr. Hart and Mr. Eubank and when they left, the central office found itself somewhat disintegrated. This is in no way in disparagement of the present Aetna organization, for there are now five Aetna general agencies in New York, doing a large business, but the disruption of the old Hart & Eubank organization is illustration that agency building is largely a matter of personality and individuality.

Hart and Eubank

Checking over the old Hart & Eubank list, the first name, of course, to be encountered is that of Hugh D. Hart, former general agent, who is now agency vice-president of the Penn Mutual Life and leading that company through an era of phenomenal agency development. Mr. Hart has made his name known throughout the country and is continuing the outstanding record of former days, though in a new field—in company ranks. Next is the name of Gerald A. Eubank, general agent, who is now general manager of the life department of Johnson & Higgins, with branch offices throughout the country. Supervising the work in New York, Chicago, Detroit, Boston, Philadelphia, Buffalo, Baltimore, New Orleans, Montreal, Havana, San Francisco, Seattle, Los Angeles, Portland and Cleveland, Mr. Eubank is building a huge general agency business through brokerage contacts, continuing his brokerage development work which made Hart & Eubank famous. In Mr. Eubank's office are to be seen several other faces from the old Hart & Eubank office: Matthew F. Kane, assistant manager; H. G. Henderson, office manager; Edward H. Dooling, managing Chicago office; William McIlhinney, Mrs. H. L. Knowles, Miss L. M. Biers. That of itself is a representative group.

Going out into the general agency field, the Hart & Eubank "graduates" are to be found in many cities and with many companies. Though only a year has passed, there are already several outstanding general agents who are the product of this office. John G. Gordon, manager for the Home Life of New York in Chicago, is making a notable record in the field. James P. Graham, Jr., general agent for the Aetna Life in Brooklyn, has already stepped into the million-a-month class. In addition, there are three New York City general agencies of the Aetna Life which are under the direction of former Hart & Eubank men: Edward A. Muller in downtown New York; H. C. Hubbel in uptown New York, and Raymond E. Goewey in the Bronx.

In the ranks of other companies are

to be found many more who have achieved managerial posts, including the following: Herbert W. Jones, New York manager for the Canada Life; John J. Outcault, just appointed general agent for the Penn Mutual Life at Birmingham, Ala.; Raymond C. Gregory, general agent for the Equitable Life of Iowa at Buffalo, N. Y.; Henry H. McBratney, general agent for the State Mutual Life of Massachusetts at Baltimore, Md.; James McKay, general agent for the Bankers National of Jersey City at Jersey City; Earl Bidwell, general agent for the Bankers National at Providence, R. I.; William A. Flanagan, associate general agent for the Penn Mutual in New York City; Duncan M. Findlay, manager of the life department of John A. Eckert & Co., in New York; George W. Eichmeyer, assistant manager of the A. B. Johnson agency of the Equitable Life in New York; George H. Holden, manager of the life department of Lewis Gendler & Co., general agents for the Brooklyn National Life in Brooklyn and Manhattan; J. Edward Dunn, manager of the life department of the Morgenthau company in New York.

Found in All Avenues

Some of the men of this old agency organization are found in home office organizations in addition to Mr. Hart. Julio M. Steinacher being supervisor at the home office of the Bankers National Life of Jersey City and George E. Morgan, supervisor of agents for the Manhattan Life at the home office. Several are found in the R. H. Keffer general agency of the Aetna Life in New York, the company's leading agency throughout the country, these including Leslie D. Briant, who has just been appointed agency supervisor in charge of all agency work; E. H. Hastings, assistant general agent; Warren Preble, manager of the brokerage department; Louis W. Sechtman of the brokerage department; C. S. Richardson of the brokerage department, and Leon Lacass, counterman. Edward A. Thomach is in the brokerage department of the Goewey agency of the Aetna in New York. In the Muller agency of the Aetna in New York are to be found Eugene McLaughlin, R. C. Buckley and T. D. McCabe, the latter being counterman. S. R. Hafely is assistant general agent for the Aetna at Baltimore. John Walsh is in the brokerage department of the Harry Gardiner agency of the John Hancock in New York. B. H. Look has gone out of the life business, but has made a successful contact in the paper mill supply business. He was formerly manager of the group department for Hart & Eubank.

This is a formidable list and should stand as an unusual example of the results of agency building of the better type. It is a tribute to the abilities of both Mr. Hart and Mr. Eubank that at least 40 of their former associates should now stand in executive or managerial posts throughout the country. And it is evidence that an intensive agency building program makes itself felt in more ways than the mere addition of income. In this particular case, the Hart & Eubank agency was equal to a graduate school in agency methods and its "alumni" assuredly have as high a standing as could those of any institution.

GIANNINI WON'T DISCUSS HIS PLANS FOR FUTURE

NEW YORK, Sept. 6.—A. P. Giannini, president of the Bancitaly Corporation, arrived in this city today after spending the summer months in Europe. While stating that he has certain definite recommendations which he intends to make for the benefit of his company's stockholders, Mr. Giannini refused to go into particulars until his plans have been passed upon by the directors. It is not known whether he intends broadening his fire insurance interests or not. Mr. Giannini will leave for the Pacific coast within a few days.



GERALD A. EUBANK



HUGH D. HART

POTTER POINTS TO URBAN BUSINESS

(CONTINUED FROM PAGE 13)

nois came next with a percentage of 93.45 per cent. H. C. Fowler of Michigan was third with 91.69 percent. C. L. Grimes of Missouri had a renewal percentage of 90.49 percent and F. W. Weston of Detroit, 87.16 percent. Mr. Stookey said that Mr. Stafford was very careful in the granting of credit and showed sagacity in credit rating. Mr. Delaney has received a prize for five years in succession for conservation. Mr. Fowler had the fourth prize last year.

What Causes Lapses?

Mr. Stookey said that there are preventable and unpreventable lapses. He said that in case of the preventable lapses the policies had not been sold properly in the first place or they have not been followed up properly by the agents. Some agents have little interest in their policyholders after they sign them up. The highest lapse ratio of course comes at the end of the first year and then there is the need of diplomatic, consistent, astute work to hold the business. He said that over a five year period the first year lapses of the Illinois Life were 33 1/2 percent, the second year 7.3 percent, the third 3.9 percent and the fourth year one-tenth of 1 percent. Mr. Stookey said that the selling of the policy should not end the insurance transaction. He thinks it might be well for life companies to level the first and second year's commissions so that the agent will have a greater interest in collecting the second premium.

Keeping the business on the books not only maintains a greater income for the agent but old policyholders are the best sources of new business. He said that an agent should keep in closer touch with policyholders. The high premium policies have the best renewal record. Taking the large cities, Mr. Stookey said the Illinois Life figures showed that the lapse ratio was 23.6 percent in five years. In the smaller cities it was 29.8 per cent and in the rural districts 47 percent. Where life insurance is bought on credit and notes are taken the lapse ratio is increased. He said that agents should inquire more particularly as to the financial responsibility of people from whom they take notes.

Darby A. Day, Chicago manager of the Union Central Life and Claris Adams, secretary of the American Life Convention gave addresses Thursday afternoon.

UNITED BENEFIT LIFE IS A NEW MEMBER

The United Benefit Life of Omaha has been admitted to membership in the American Life Convention and representatives of the company will attend the annual meeting in St. Louis, Oct. 8-12.

The United Benefit Life was organized on Aug. 19, 1926, and at the close of 1927 had \$750,000 of insurance in force and admitted assets of \$322,000. During the past eight months both of those amounts have been increased substantially.

H. S. Weller is president; Miles Scheaffer, former insurance commissioner for Indiana, secretary; Dr. C. C. Criss is treasurer, and Dr. Neal L. Criss, medical director.

The Mutual Benefit Health & Accident, companion company of the United Benefit Life, has long been considered one of the most successful organizations in that branch of insurance.

OFFICE SPACE

Wonderful opportunity for insurance company wishing to open branch office at a more reasonable lease than can be obtained. Insurance Exchange, Chicago, Jackson Blvd. side. Address G-9, care The National Underwriter.



Just one of the many ways Shield men receive cooperation that counts — that great personal advertising of theirs — W-S-M—the favorite radiostation of millions.

TWENTY-EIGHTH ANNUAL FINANCIAL STATEMENT YEAR ENDING—DECEMBER 31, 1927

ASSETS		LIABILITIES	
Bonds and Stocks		Legal Reserve, Life	
Owned	\$ 9,831,749.82	Insurance Policies..	\$10,973,342.00
Principally Govern-		American Experience	
ment, State, County,		3 1/4%, Standard and	
and Municipal Bonds		Sub-Standard 3 1/4%	
Real Estate Loans,		Legal Reserve, Dis-	
First Mortgage ...	7,596,973.48	ability Policies	202,030.37
Loans based on 50%		Contingent Reserve..	2,888,754.55
or less of property		Reserve for Epi-	
value		demics	1,000,000.00
Cash in Banks and		Gross Premiums Paid	
Offices	896,361.55	in Advance	387,914.83
(\$725,381.47 at interest)		Taxes Accrued, but	
Real Estate Owned..	834,606.46	not Due	331,905.36
Mainly Home Office		Due to Agents on	
Building		Bonds, Deposits, etc.	403,013.07
Loans on Bonds and		Mainly a Savings Fund	
Stocks	114,625.00	Policy Claims in	
Net Unpaid and De-		Process of Payment	
ferred Premiums ..	457,975.03	and Adjustment ...	179,882.35
Policy Loans	283,626.19	All Other Items.....	41,770.42
Interest Accrued and		Liabilities Other Than	
Unpaid	262,555.75	Capital and Surplus	16,408,612.95
Total Assets	\$20,278,473.28	Capital and Surplus..	3,869,860.33
Total Assets		Total Liabilities ..	\$20,278,473.28
Total Claims Paid 28 Years Ending December 31, 1927		\$ 57,976,110.40	
Total Life Insurance in force December 31, 1927		235,583,186.00	



George Washington Life Insurance Company CHARLESTON, WEST VIRGINIA

HARRISON B. SMITH, President

presents opportunity for liberal contracts covering definite territory with Home Office registry and with power of appointment of sub-agents.

The States of West Virginia, Virginia, Ohio, Kentucky, Tennessee, South Carolina, North Carolina, Georgia, Michigan, Oklahoma and Washington.

Address

ERNEST C. MILAIR, Vice-President and Secretary

COLORADO—ILLINOIS—INDIANA—IOWA—KANSAS—KENTUCKY—MICHIGAN—MINNESOTA

"INDEPENDENCE FOR DEPENDENTS"

Request details for our remunerative contracts for

AGENCY MANAGERS FOR ILLINOIS — MICHIGAN — OHIO

You will benefit by our special attention now to these States

SECURITY LIFE INSURANCE COMPANY OF AMERICA

O. W. JOHNSON, President

134 North La Salle Street, Chicago

S. W. GOSS, Vice-President

OHIO—OREGON—PENNSYLVANIA—TENNESSEE—VIRGINIA—WASHINGTON—WEST VIRGINIA

Larger Earnings

The average size policy sold by our field men on Fidelity's New Low Rate Life Plan is almost three times as great as the average under all plans for 1927.

In addition to easier selling and greater volume, the New Low Rate Life Policy has given greater earning power to Fidelity agents. Attractive rates, so essential to the modern insurance program, are responsible.

Issued only to preferred risks, ages 20 to 60, in amounts of not less than \$5,000. At age 35 the premium for \$10,000 is \$226.50, with a first year dividend (1928 scale) of \$29.50; net cost \$197.00. Think it over.

Permanent Total Disability and Double Indemnity Benefits are issued in connection with this plan.

Agency connections available in forty States—on a live-and-let-live contract.

THE FIDELITY MUTUAL LIFE INSURANCE COMPANY

Philadelphia

Walter LeMar Talbot, President

Results that Count

The

Company

of

Co-operation

Des Moines Life & Annuity Agents are daily increasing their business through the sales helps, prospect leads and whole-hearted co-operation of the Home Office. You too can borrow a "Co-operator" and gain its benefits.

Interested?

Write for openings!

Des Moines Life & Annuity Company

J. J. Shambaugh, President
DES MOINES, IOWA

OHIO NATIONAL LIFE'S LEADERS HOLD MEETING

THREE-DAY SESSION IS HELD

Outstanding Producers Enjoy Educational Program and Ample Recreation at Indiana Resort

Members of the "Builders Club" of the Ohio National Life met in convention at Lake Wawasee, Ind., Aug. 29-Sept. 1, as guests of the company. About 120 people attended. J. R. Harper, Jr., of Nashville, Tenn., president of the club the last club year, opened the meeting with a brief address. He was followed by T. W. Appleby, president of the company, who spoke on "Our Company." On the following morning President Appleby addressed the convention on "Industrial and Economic Conditions That Lead to Financial Depression." He reviewed the financial panics of the past and then interestingly contrasted life in the early days of the country's history with modern life in the United States.

"The problem," Mr. Appleby stated,



T. W. APPLEBY
President Ohio National

"is to keep money in circulation. There is just as much money during a panic as at any other time, but financial difficulties arise from the fact that through fear or lack of confidence, or through the failure of some great banking or other business enterprise, or through a buyer's strike, money ceases to flow and a financial panic is the result. Our country was never more sound financially than at the present time and the succeeding year promises to be the best for all insurance companies and for business in general."

"Red, Green" Winner Event

One of the events of the convention was the "Red and Green" dinner. The agency force of the company had been divided into two groups, designated the "Reds" and the "Greens." The winning group of delegates to the convention was to be given a chicken dinner and the other group a bean dinner. The "Greens," headed by W. C. Temple of Dallas, Tex., won the contest. However, N. E. Glassbrook of Lansing, Mich., captain of the "Reds," challenged the "Greens" to an application contest, the totals to be tabulated at the convention. The tally showed that the "Reds" won the application contest, and on motion of the captain of the "Greens," the bean dinner was set aside. Following the dinner, President Appleby was presented with \$450,000 in applications that had been obtained in a few days previously to the convention.

One of the outstanding addresses of the second day was that by R. D.

Mitchell, vice-president and trust officer of the Commercial Banking & Trust Co., Sandusky, O., whose subject was "Life Insurance Trusts." The subject was handled from the insurance point of view by Walter Schmitt, general counsel of the Ohio National Life. Mr. Mitchell's points were summarized in the following words: "The thousands of estates that are dissipated each year through mismanagement and poor investments are clear evidence of the necessity of a well-balanced trusteeship for the widow without business experience who is left an estate. In many cases the estates that are dissipated through mismanagement or poor investments by an inexperienced widow are from life insurance lump sum payments."

Company Handicapped

Mr. Schmitt summarized his remarks thusly: "The life insurance company's settlement option provides only for a specific thing. The life insurance company cannot accept the responsibility of using its discretion in the distribution of life insurance funds—they can be distributed only in accordance with the responsibility of using its discretion in the distribution of funds where authorized to do so by the maker of the trust. A trust agreement is therefore necessary where discretionary powers are delegated to the trustee."

The principal speaker at the banquet on Thursday evening was Jamie Heron, nationally known Scotch writer and lecturer, whose subject was "Building Better Business by Building Better Men."

Other home office speakers were S. J. Blashill, secretary; J. H. Evans, actuary; E. E. Kirkpatrick, superintendent of agencies; Dr. H. H. Shook, medical director. In speaking on the subject, "Brighten Up the Kit," Mr. Kirkpatrick said in part: "Disaster is just as sure to come to a life insurance salesman as to a company if the salesman practices deception or high pressure or speculative methods in the pursuit of his profession. On the other hand, the agent who allows his tool-kit to get dull and rusty is sure to come to a standstill, if he does not fail altogether."

Homer Rogers Promoted

Homer L. Rogers, for some time district manager of the Equitable Life of New York, at South Bend, Ind., has been promoted to state agency manager with headquarters in Indianapolis. He succeeds Frank L. Jones, who has been appointed agency vice-president at the home office. Mr. Rogers has entered on his new duties. His successor in South Bend has not been named. Mr. Rogers went there three years ago from Lafayette, Ind., and has become one of the best known insurance men in the state. He is prominent in Masonic affairs, being a member of all branches of the fraternity. He is also a member of the First Methodist Episcopal church and the Kiwanis club.

Murrell to Home Office

W. L. Murrell, assistant manager of agency development and the life, accident and group department of the Richmond, Va., branch office of the Travelers, has been promoted to the home office. He will hold a position in the agency department there. His title has not yet been determined. Mr. Murrell has been with the Richmond office for the past three years and a half.

Canadian Company Agents Meet

The Mutual Life Assurance of Canada held its eastern summer convention at Murray Bay, Que. The members of the company's "Quarter Century" club and the eastern members of the "Century" club were present. At a banquet the principal speakers were C. M. Bowman, chairman of the board of directors; Sir Lomer Gouin, a director and an ex-premier of Quebec province, and W. H. Somerville, general manager of the company.

MUTUAL TRUST AGENTS HOLD LIVE CONVENTION

(CONTINUED FROM PAGE 9)

something about the prospect; (2) create the desire and (3) apply the best plan to fit the need.

Thompson Makes Talk

Douglas E. Thompson, executive assistant at the home office, talked on "Keeping in Touch with the Policyholder." Mr. Thompson cited the example of one agent that in 1915 called on a clerk who at that time had only \$1,500 life insurance. The agent sold him \$3,500 more, bringing his total to \$5,000. But the agent did not stop there. He kept right after his man, in 1921 sold him an additional \$5,000. He continued his contact, with the result that in 1925 he sold \$5,000 more; in 1926, \$10,000; 1927, \$26,500, and shortly thereafter in 1928, \$30,000 more and just recently closed another \$50,000.

Gets Old Policyholders

One of the illuminating talks of the meeting was that given by G. R. Swanson of Peoria, Ill., on "Getting Business Through Old Policyholders." Mr. Swanson confined himself entirely to citations of personal experiences. His record shows that he is following his own plan because 85 percent of his new business is through old policyholders. Whenever a claim is paid he always makes it a point to deliver the check immediately and then let all the neighbors and friends know that he has made payment.

E. A. Isaacson, superintendent of agents, spoke on "Reinstatement." One of the fine talks of the meeting was given by L. R. Lunoe, manager of the New England department, on "Selling a Definite Purpose."

High Spot of Convention

At the banquet Mr. Slattengren was toastmaster and called on A. E. Thompson, leading producer of the company, to give a talk on "Your Company, Your Job and You." In speaking of the agent's job he said that in the company's anniversary month last year 6.7 percent of the agency force sent in daily progress cards, but this small percentage of the agents produced 40 percent of the business produced that month. A telegram from Edwin A. Olson, president of the company, was read. Mr. Olson was unable to be present at the convention. The climax of the evening came in the talk given by Vice-President Peterson on "The Achievement of Leadership." Mr. Peterson pointed out that with less than 7 percent of the world's population, the United States leads with 71 percent of all the life insurance carried in the world. He said: "Out of 377 life insurance companies in the United States, only 24 are on both mutual basis and full legal reserve basis." He pointed out that the company now had \$136,000,000 life insurance in force. It was at this point that he made the announcement that the dividends of the company would be increased on May 1, 1929, on an average 40 percent. The company will soon issue a supplementary rate book covering three policy forms giving the 20-year showing on all contingencies. Thus the agent will be equipped with a demonstration book that will answer virtually every question that can be asked by the policyholder.

Meeting for General Agents

The closing session of the convention was an organization club meeting for the general agent. John H. Ehn of Hartford, who has the leading general agency of the company, gave a very fine talk on "Building an Agency." He said: "The general agent is a jobber taken into partnership with the company. He is dealing out material and goods to the wholesaler, the agent. The general agent must be big enough to handle his job but if he cannot he should be big enough to send back his contract and go on personal production. He must above all be honest with the company. It is not

good policy, he said, to appoint an agent on the first interview. The first interview is merely meant to gain impressions. You are looking him over and he is looking over you and your company. You are showing him the opportunity. The prospective agent is always checking over the general agent more than he is checking over the company." Mr. Ehn has been very successful in recruiting agents from the industrial ranks.

Selling Experience Essential

O. I. Hertsgaard, general agent at Minneapolis, gave a very carefully prepared talk on "Getting the Right Man." Mr. Hertsgaard has made a very careful analysis of his experience in obtaining men. He said, "A good agent develops a specialized and sensitive prospect sense but the general agent must also in order to develop his agency. The prospective agent should not be too old or too young. His experience has shown him that between the ages of 33 and 44 are the best. The man with children and a home is better. He must make good. He has responsibilities that he must meet and he will work harder to achieve success. Selling experience, Mr. Hertsgaard said, is a prime requisite for successful life insurance salesmen."

Must Train Men

George A. Hatzes of Manchester, N. H., in speaking on "Helping the New Man," said: "The agent must first of all give the new man a thorough but brief training course covering the policies of the company, the selling of life insurance and then the life insurance laws of his state. Then equip him with a standardized sales talk so that he can make the right appeal and the right approach. After he has worked himself out thoroughly on his standardized sales talk, then give him field training with a district agent on a 50-50 basis. After he has sold his friends and relatives he will then be down to bedrock and will have to get out on cold canvass. It is then that the general agent must follow him up closely and take him in hand and lift him over the hurdles. It is at this point that many agents fail. If he can be helped for just a week or so at that time he will see the method of cold canvassing and quickly bring himself up into the producer class."

The entertainment program was ably handled by Douglas E. Thompson of the home office. The bridge prize for the women on the first day was won by Mrs. N. A. Nelson of Chicago. The second day's party was won by Mrs. Halsey Steins, also of Chicago. In the horseshoe pitching contest Martin H. Fields of Decatur, Ill., carried off the honors. In golf, Oliver Aspegren of Chicago, was low man.

GEM CITY LIFE NOW HAS \$100,000 CLUB

The Gem City Life of Dayton held its annual outing for agents and their wives at Put-in-Bay. More than 100 were in attendance. A short business session was held and the \$100,000 Club organized. Those attending from the home office were: I. A. Morrisett, vice-president and general manager; E. M. Pavey, supervisor of agents; Mr. Wilkinson, assistant supervisor; H. E. Brennan, manager health and accident department, and J. L. Pauley, manager claim department.

The Gem City Life is having the best year in its history. It has already made an increase of more than \$8,000,000 insurance in force this year.

Lamar Life Winners Announced

Winners of the cash prizes of "joy money" for production of business after the All-Star Club contest of the Lamar Life had closed were announced as follows: M. R. Berry, Mississippi, first; W. C. Buckley, Mississippi, second; I. S. Watson, Mississippi, third; R. D. Farris, Texas, fourth; J. P. Woodward, Mississippi, fifth, and H. C. Webb, Texas, sixth.

"scarce as hen's teeth"

HOW many times we hear that old familiar expression among insurance men in speaking of the type of general agency contract we used to hear of so much about ten years or so ago.

Yes, and ten years from now they will be even more scarce.

BUT, if you're the right type, there is still a chance for you to get one of the old-fashioned general agency contracts with MUTUAL TRUST.

Write us—perhaps there's an opening just where you would like to locate.

Get Your Copy of—
"CHOOSING A COMPANY"

CARL A. PETERSON, Vice President

Mutual Trust LIFE INSURANCE COMPANY



EDWIN A. OLSON, President
77 West Washington Street
CHICAGO, ILLINOIS



"As Faithful as OLD FAITHFUL"



A Fresh Start

A successful life insurance agent ran into a period when it seemed to be impossible to sell life insurance. In desperation he turned to accident insurance, selling it first to his life policyholders and then to new clients who afterwards bought life insurance also.

Accident insurance has helped many a Connecticut General agent make his first start and given a fresh start to many another.

Write for set of interesting sales helps.

Connecticut General
Life Insurance Company
Hartford, Conn.

THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION

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In Combination with The National Underwriter (Fire and Casualty) \$5.50 a year. Canada \$7.50

Satisfied Policyholders as Assets

FRED W. POTTER of Springfield, Ill., formerly Illinois insurance superintendent, in his recent talks to life insurance agents has reemphasized a truth that has been generally recognized among rate book men and that is the desirability of a man young in life insurance soliciting getting together as many policyholders as possible during the first few years. Mr. POTTER realizes the great value of satisfied policyholders to an agent as a business builder. They constitute of course his most valuable asset and become his most prolific source of new business.

Mr. POTTER has stated that if he were starting in the life insurance business he would endeavor to get as many applications as possible from as many men, not looking down upon the \$1,000 policies, but rather welcoming them especially when written for young men. He believes in a life insurance agent getting a start with a number of young men and then watching them develop. Almost every young man who takes out a small policy and is progressing in his business becomes an applicant later on

for more insurance. Sometimes he grows to be a very successful man and a large purchaser of insurance. Instances are cited where agents have written a person, collected the premium, gotten their commission and then dropped him. Every successful life insurance agent bears witness to the fact that he returns frequently to his clients because they are not only taking new insurance but through their influence others in their families or those within the circle of their kinspeople or friends become attracted to the man who has been able to render satisfactory service.

Such an agent has the ability to show a client just how life insurance is able to fit into his program and meet his special needs. A man is interested in any project that has a particular application to his own scheme of things. He may not be able to purchase all that he thinks he wants but he certainly is vitally interested when anything is proposed that has a special bearing on his case. That is the agent's opportunity.

How Independence Has Helped

ALBA B. JOHNSON, who is president of the PENNSYLVANIA STATE CHAMBER OF COMMERCE and former president of the BALDWIN LOCOMOTIVE WORKS, calls attention in an article in "Human Relations," gotten out by the INDEPENDENCE INDEMNITY of Philadelphia, to the advantage that America has insurancewise when compared with some of the countries in the old world. Mr. JOHNSON declares that in some countries workmen rely very much on governmental charity, so to speak. In the United States anyone can voluntarily provide against disaster, either personal or property. Undoubtedly this liberty of the individual has much to do with the thriftiness of all classes in the country.

As Mr. JOHNSON points out, the working people of the United States feel it incumbent upon them to protect themselves and their families where insurance plays a factor. Through saving and the purchase of insurance people become independent. He believes that this has stimulated workers to give their largest instead of their least services. He takes the position that this has aided greatly in bringing about the present high aver-

age of living conditions. The great growth of life insurance, Mr. JOHNSON attributes largely to this factor.

The progress of insurance in all lines is due in great part to the more intelligent work of the soliciting agent who has raised the standard of his class and is more accurately endeavoring to fit insurance to the needs of the prospect. Many men do not understand how insurance can safeguard themselves and their property. It is here that the service of the agent is valuable and helpful. Insurance has taught people to rely on themselves. Through its facilities people can protect their resources against almost every kind of hazard.

Where a person can afford to buy insurance and does not carry it he is generally condemned by his neighbors. Mr. JOHNSON in commenting on the growth of insurance in this country, says:

"All in all, there is hardly a hazard of life against which one cannot now insure with great advantage to the welfare of the individual and the stability of our social institutions. If America has so conspicuously outstripped the

rest of the world in insurance development, it is through the interaction of two things—the character of the people themselves and the facilities afforded by the great institution they utilize. American character, with its initiative, its enterprise, its foresight and its growing appreciation of the advantages of an active rather than a static thrift, has been influenced in no small degree by the education received by the people from the insurance companies. The daily efforts of scores of thousands of agents,

working along lines of the soundest economics, together with the innumerable pieces of printed matter circulated by the companies themselves have contributed greatly to raise the level of American practice in cooperative helpfulness.

"Insurance is impossible except in a land of law, and its efficient operation in America, bringing all homes, all kinds of business and practically all individuals under its protection, may be considered the highest economic expression of civilization."

PERSONAL GLIMPSES OF LIFE UNDERWRITERS

Norman R. Moray, vice-president and general manager of the Hartford Accident & Indemnity, has resigned to become president of the Southern Surety. The deal was made by Caldwell & Co. of Nashville and Kidder, Peabody & Co. of New York, two outstanding investment houses. Mr. Moray thus becomes identified with the insurance enterprises that are backed by these two firms. He will become a director and member of the executive committee of the Missouri State Life. As is known, Caldwell & Co. and Kidder, Peabody & Co. are interested in both the Missouri State Life and Inter-Southern Life of Louisville. They purchased control of the Southern Surety. They propose to organize a fire insurance company of which Mr. Moray will be the head. Mr. Moray has built up a very successful company with the Hartford Accident. It is one of the foremost casualty and surety companies in the country.

That the steps necessary to produce a mortgage in Fargo, N. D., should be the same as those used in New York City is what **Judge W. H. Hinebaugh**, president of the Central Life of Illinois, will tell the fifteenth annual convention of the Mortgage Bankers Association to be held next week in Cleveland. Judge Hinebaugh is chairman of the financial section of the American Life Convention. He will speak Sept. 12 on the "Opportunity of the Mortgage Bankers Association to Meet the Need for Standardization."

Word has been received at the home office of the Aetna Life of the death of **T. H. Christmas**, senior member of the firm of T. H. Christmas & Son, general agents at Montreal, and the oldest member in point of service of the entire Aetna organization. Mr. Christmas, who was 76 years old, observed his 62nd anniversary as an "Aetna-izer" June 3.

He was born at Montreal Aug. 4, 1852. He attended McGill Normal School and later a Montreal college. On June 3, 1866, he entered the service of the Aetna Life at Montreal, in the employ of S. Pedlar & Co., managers for the Dominion of Canada. In 1878, he assumed management of the company's eastern Canada agency, with headquarters at Montreal. The firm name was Orr & Christmas. Mr. Orr later removing to Toronto to take charge of the Aetna's western Canada business. In 1883, Mr. Christmas became sole manager at Montreal and in 1907 formed a partnership with his two sons, Henry A. and Ernest J. Christmas. Following the death of Henry A. Christmas some years ago, the firm has continued as T. H. Christmas & Son.

Maurice A. Hyde, assistant secretary of the Security Mutual Life of Lincoln, Neb., has been named as a member of the board of trustees for the city library.

J. M. Crume, who with M. D. Johnson has been Chicago manager of the Manhattan Life and now with Mr. Johnson is associate manager of the Secur-

ity Mutual Life in Chicago under Samuel R. Cooper, left Chicago for California last Friday to visit his mother. He will return to Chicago and his new duties with the Security Mutual Sept. 16.

Darby A. Day, Chicago manager of the Union Central Life, has attained the rank of commodore. His command is the 42-foot cabin cruiser "Silverheels," one of the vessels in the great Lake Michigan pleasure fleet running in gas, steam or sail. Skipper Day ties his craft up in the Chicago Yacht Club harbor, where many of the finest pleasure craft on the lake berth.

Charles F. Bullen, the Canada Life's manager in Chicago, has put on the company's books 72 groups aggregating \$45,000,000 coverage, which undoubtedly makes him one of the world's greatest writers of this class of business. In fact his total group writings probably reach \$100,000,000, because owing to the connection of some of his clients with other insurance companies, it has not always been possible for him to arrange for full coverage through the Canada Life. Among the groups produced by Mr. Bullen are wholesale and retail clothiers, pulp and paper companies, boot and shoe manufacturers, flour mills, printing and publishing houses, bond houses such as Peabody, Houghteling & Co. and the Utility Securities Co., hydro-electric power, street railway, gas and water companies, interurban railways and other important classes. The employees so covered by these group policies reside from the far north in Canada down into Mexico, and from Salt Lake City in the west to Portland in the east.

Mr. Bullen is also a big writer of ordinary business, of which he secured nearly \$1,250,000 in the twelve months ended in June last. His policies, group and ordinary, total \$60,000,000, with a premium income of nearly \$1,000,000 a year.

C. A. Ryan of the Canada Life recently made a "hole-in-one" at Los Angeles. The feat was also performed recently by R. G. Macdonald, assistant superintendent of the company.

Mrs. Frances Burkhardt, president of the Central States Life Club for 1927, has been married to Frank A. Thompson, a New York investment broker. Mrs. Thompson paid for more than \$750,000 in new business during the club year.

Walter Clayton Dobbins, of the firm of Geo. M. Hope Co., at Atlanta, general manager for Georgia for the National Life of Vermont, died there last week. Mr. Dobbins was born in 1859 in Newton county, Ga. When quite a young man he became associated with Bagley & Willet, general agents for the Penn Mutual Life in Atlanta, but after a few years he left that company to become affiliated with George M. Hope and his son. He remained with this agency from 1902 until his death.

NORTHWESTERN NATIONAL NEWS

This column contains condensed news items from the weekly newspaper published for Northwestern National Life Agents.

Agents Talk is High Spot in Convention

L. M. Rutten's Speech Brings Burst of Applause from Assembly

"A father will always do the best he can by his sons. I have two sons who qualified to come on this trip and are here with me. If I had seven sons they would all be in the life insurance business with Northwestern National!"

This tribute delivered by L. M. Rutten of Minot, N. D., which brought the entire Convention to its feet in a burst of cheers and hand-clapping, was the high spot in the most enthusiastic Convention in the history of the Company. Mr. Rutten's talk was a response which followed the award of Doorway Club emblems to himself, W. D. Foster of Austin, Texas, and Randolph Schmalhorst of Cincinnati. When the speaker left the platform the Convention rose as one man with a wave of applause that must have ascended to the 28th story of the luxurious Book-Cadillac hotel in Detroit.

Agents Term Detroit Trip "Best Ever"

Members of the 1928 Home Office-Great Lakes-Detroit Convention party were back in their home towns again Friday after a glorious week of vacation, their hands itching to grasp the ratebook once more. Agents bailing anywhere from the far-flung plains of Texas to the crowded streets of the Convention city itself proclaimed the trip the finest that has yet been given by the Company.

Agents Pledge Record Weeks in September

Plan "Appreciation Drive" for First Two Weeks of Month

An "appreciation drive" to last from the first to the 15th of September was instituted by the agents of the Company in a resolution presented to President O. J. Arnold, at the Convention assembled at Detroit. The resolution was the result of a meeting called by Chairman C. D. Ford at the close of the song service Sunday afternoon aboard the Junata, the officers and general agents being requested to leave before the agents' meeting convened.

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

STRONG Minneapolis, Minn. LIBERAL

LIFE AGENCY CHANGES

DAVIES JOINS PENN MUTUAL

Former Northwestern Mutual Assistant Agency Supervisor Appointed Oakland General Agent

Following its recent placing of James L. Taylor, a home office representative, in San Francisco, the Penn Mutual Life now makes the important announcement that John P. Davies has been appointed general agent at Oakland. This is evidence of the company's estimate of the production possibilities of California.

Mr. Davies' first contact with life underwriting was made in 1912, when he was an agent. In 1923 he graduated from the University of Wisconsin, and the purpose of his mind toward life insurance was shown by his senior thesis: "Comparative Advantages to Policyholders of Mutual, Non-Participating, and Fraternal Life Insurance." In that same year he added to his selling experience, and then became Northwestern Mutual district agent among the faculty and students of his alma mater, this work continuing until 1916. In 1917 he joined the United States air service. After the war Mr. Davies spent two years as general sales manager of the Curtiss Aeroplane & Motor Corporation in New York City.

Enters Business Permanently

Then began his permanent work in life insurance. He was connected with the Bristol agency of the Northwestern Mutual in New York City as an agent in 1921. The next two years broadened his experience, through work as field supervisor of the Atkinson agency of the Northwestern Mutual in Brooklyn, and Long Island. In 1923 he was taken to the home office of the Northwestern Mutual in Milwaukee, where during the last five years he has served as educational director and assistant superintendent of agencies.

Is Able Organizer

Mr. Davies is a proven agency builder, having proved highly successful in agency building work in Brooklyn. He is a \$1,000,000 personal producer, has recently written an outstanding book on life insurance from the investment standpoint, and as educational director of the Northwestern Mutual Life he developed a system of training for agents that is regarded by some of the leading authorities as a model. As assistant superintendent of agencies of that company Mr. Davies made a study of agency building methods which, coupled with his other exceptional insurance background, equips him completely, in the judgment of the Penn Mutual, for the task of building for the company an agency in northern California that will rank in a few years among the great agencies of the west.

George R. Whitlock

George R. Whitlock, formerly Nebraska general agent for the International Life, with headquarters at Lincoln, has been named as Nebraska branch manager for the Missouri State Life, which took over the business of the International. The company has in excess of \$15,000,000 in force in Nebraska, and an agency force that was maintained intact while the troubles were being settled.

Roy Lee Ward

Roy Lee Ward has been appointed Chicago manager of the Manhattan Life. He succeeds M. D. Johnson and J. M. Crume, who recently resigned and have become associated with Samuel R. Cooper, Chicago manager of the Security Mutual Life. Mr. Ward has been in the insurance business about six years. He has been a manager for Grizzard system in Detroit, Cleveland

INDIANAPOLIS LIFE INSURANCE COMPANY

GROWING STEADILY

Insurance in Force

1905	\$325,000.00
1906	1,281,909.93
1907	2,158,315.62
1908	2,344,449.12
1909	3,037,135.59
1910	3,760,237.71
1911	4,451,264.48
1912	5,756,690.86
1913	7,011,554.27
1914	8,655,788.49
1915	10,231,921.21
1916	12,021,820.06
1917	13,665,053.54
1918	15,532,346.26
1919	20,456,374.44
1920	27,006,018.90
1921	31,275,345.88
1922	35,236,427.74
1923	40,882,131.98
1924	46,628,369.17
1925	54,432,038.01
1926	64,065,097.61
1927	75,257,687.64
1928 TO SEPT.	83,500,000.00

A strictly Legal Reserve Mutual Company, operating under the Compulsory Legal Reserve Deposit Law of Indiana.

Low Initial Premiums and Large annual dividends, making a fine record of LOW NET COST to Policyholders. In addition to regular dividends, the Company has paid five extra dividends in the past twelve years.

Agency contracts direct with Home Office. These offer you broad opportunities to build for yourself an Agency or enter a broader field of personal production.

Operating in INDIANA, ILLINOIS, MICHIGAN, OHIO, TEXAS, MINNESOTA, IOWA and FLORIDA.

For Agency Address

FRANK P. MANLY
President

and Chicago. For the last six months he has been a member of the S. T. Whatley agency staff of the Aetna Life in Chicago.

It is announced that in future the Chicago office of the Manhattan will be a training headquarters for managers and agents. The work will be supervised by Nelson L. Shultis, agency supervisor.

Dan S. Harris

Dan S. Harris, formerly with the Harris-Keller-Speaker agency, Fort Smith, Ark., has been named general agent for the Kansas Life for all counties between Little Rock and Fort Smith. He will maintain headquarters at Conway, Ark.

G. L. Powell

G. L. Powell of the Davenport agency of the Guardian Life has been made associate manager. He has been a member of the agency for eight years.

J. M. Moffit

J. M. Moffit has been appointed general agent of the Register Life of Davenport, Ia., at Columbus, O. He has taken his office in the Atlas building. He entered the business in 1922 with the Columbus Mutual Life. He joined the Grizzard System at Cleveland as conservation clerk and later became office manager. He returned to Columbus in 1927 as manager of the Grizzard System there. He left that to join the Mutual Life.

Harold Holt & Co.

Harold Holt & Co. of Providence, R. I., have been appointed general agents in Rhode Island for the Pacific Mutual Life and will represent the company in both the life and accident departments. The company writes both participating and non-participating life insurance and specializes on non-cancellable income insurance. The firm is well known in fire and

casualty circles and is adding the Pacific Mutual's lines to its brokerage business.

Life Agency Notes

A. W. Crowell has been appointed general agent of the Volunteer State Life at Monroe, La.

Thomas B. Elliot, formerly secretary-treasurer of the Optimist International, has joined the Union Central Life as a

special agent in St. Louis, working under Frank M. See, general agent for the company.

Herschel Beatty, who has been connected with the Prudential at Washington, Ind., became district manager for the Missouri State Life in that territory. He succeeds W. B. Smith, who was promoted to assistant branch manager a few months ago and transferred to Indianapolis.

M. McGee produced three for \$35,000, Harris Redmond a \$54,000 group case and five applications for \$6,500.

Lewis Now in Charge

Lester F. Lewis, who has become general agent of the Mutual Benefit Life at Syracuse, N. Y., has always lived in that city. He graduated from high school there and then went to Syracuse University. He worked as a civil engineer before the war. When he returned he engaged in life insurance and after a few months' experience he became associated with the Mutual Benefit. Charles Bates, home office field service manager, who has been in charge at Syracuse, therefore is relieved of this special work.

Mutual Trust in New Jersey

The Mutual Trust Life of Chicago has been admitted to New Jersey, appointing Benjamin M. Wahle of Hillsdale, N. J., as general agent.

EASTERN STATES ACTIVITIES

KEFFER DINES HIS AGENTS

New York General Agent of Aetna Life Gives Dinner to Men for Work in Luther Drive

In celebration of the remarkable achievement of his agents during the recent Luther drive, R. H. Keffer, New York general agent for the Aetna Life, gave a banquet to them last week, with an array of notables present from the home office. Vice-president K. A. Luther, in whose honor the drive was held, was present and gave voice to his appreciation of their work. Dr. Donald B. Cragin, associate medical director, spoke on the new sugar test for diabetes which the company has found remarkably helpful. W. H. Dallas, in charge of underwriting at the home office, spoke on their problems of today, citing in particular jumbo line underwriting. William G. Wilson, general agent for the company at Cleveland, was present and gave an inspirational talk on the agent's place in the business. In addition, there was an excellent sales talk given by the "mystery man" of the Keffer organization, who modestly refuses publication of his name. This agent paid for \$1,500,000 during the Luther drive alone and is seeking a \$3,000,000 total for the coming total. His explanation of the "simplicity" of the business was enthusiastically received.

July "McCarthy Month"

July was "McCarthy Month" in the east Michigan branch of the Canada Life in honor of the company's new president, Leighton McCarthy. The result was a gain of 72 per cent over July last year, and of 485 per cent over June. Glen M. Reem led the producers with three applications for \$129,000, while A.

IN THE MISSISSIPPI VALLEY

CASH VALUES LEGAL ASSETS

Illinois Attorney-General Says Receiver for Bankrupt May Make Demand on Insurance Company

The attorney-general of Illinois gives an opinion to the state insurance department regarding the status of bankrupts' life insurance policies. The attorney-general says:

"I have your communication enclosing a letter from John W. Feehan of the Feehan-McClellan Insurance Agency, Ottawa, Ill., inquiring as to whether or not in case of bankruptcy a referee has the right to demand of the bankrupt that he request the various life insurance companies to pay over the cash surrender value of the bankrupt's life insurance policies so that they may be made a part of the assets. Replying, permit me to say that the cash surrender value of an insurance policy is a part of the assets of a bankrupt and may be demanded from the insurance company by a receiver. I am assuming that the policy contains a provision authorizing the assured the substitute beneficiaries."

Lincoln Good Will Tour

The third annual good will tour of Lincoln insurance men is being planned by Maurice A. Hyde, Security Mutual Life executive. This time the southeastern portion of Nebraska will be visited. Mr. Hyde is planning to have each home company in Lincoln send one of its executives, and will have dinners and luncheons at the larger towns, where speeches will be made. Mr. Hyde expects to take 25 representatives of home companies along with general agency men in all lines of insurance, the primary object being to sell Lincoln as a progressive insurance center. No solicitation will be done, but at each town the local insurance men will be guests. Mr. Hyde says that this idea of a good will tour is original with Lincoln, and with its permanency established other insurance centers may take pattern after it.

Junior Officers' Picnic

Junior officers of the Northwestern Mutual Life of Milwaukee will have their annual picnic Sept. 8 at the home of H. D. Thomas, manager of farm loans at Dousman, Wis.

Incorporate Managers' Association

The Life Agency Managers Association of Omaha has filed articles of incorporation for the purpose of bringing together its members for better ac-

quaintance and friendship, for the exchange of ideas and methods of agency management and the promotion of the best interest of life insurance business.

The incorporators are H. O. Wilhelm, F. N. Croxson, Frank D. Burchmore, Gordon W. Noble, Hugh Wallace, Frank Devitt, Ernest Whitlock, Frank Mann and others.

Agency Plans Fall Campaign

Clifford L. McMillen, home general agent for Northwestern Mutual Life, entertained his associates at the inauguration of the fall campaign of the McMillen general agency. The plan stresses continuous and consistent weekly production, and to qualify for a prize the agent must produce for at least one life a week for the 17 remaining weeks of the year.

Expect Large Attendance

About 700 insurance agents from all parts of Wisconsin are expected to attend Wisconsin Insurance Day, which is being sponsored by the Insurance Federation of Wisconsin, on Oct. 24 in Milwaukee.

SOUTHERN FIELD

CLARIFIES RECENT RULING

Assistant Attorney General of Texas Says It Did Not Apply to Gulf States Mutual

In a letter to the Gulf States Mutual Life of Dallas, Tex., Assistant Attorney General Fuller of Texas makes it clear that the recent ruling against agreements with prospective policyholders for taking stock in a life company, unless the agreements are written in the policies, does not apply to that company. He states that he has examined copies of the policy forms issued by that company, with the copies of endowment coupons attached and stock purchase agreement, assigning coupons to the Dallas Trust & Savings Bank for the purpose of investing the proceeds in stock of a capital stock company to be organized to take over the mutual.

"It is our understanding," his letter says, "that copy of the stock purchase agreement is attached to the policy and delivered to the policyholder, and is made a part of the insurance contract. As the prospective agreement is made a part of the policy, the policy, therefore, fully complies with all the requirements of the laws of Texas."

"It is our understanding that on policies heretofore issued you have enclosed

LIFE OPPORTUNITY

Attractive agency contracts available for experienced or inexperienced salesmen in

A prompt inquiry by return mail expressing your desires or ambition will bring information that will enable you to cash in on your ability and experience on a profitable basis NOW—not SOMETIME.

KANSAS
NEBRASKA
MISSOURI
ILLINOIS
TEXAS
ARKANSAS
ALABAMA
COLORADO
WASHINGTON
OREGON
CALIFORNIA

Participating and Non-Participating Low Net Cost Policies.

District Agencies or General Agencies of your own.

Replies strictly confidential

The LIBERTY LIFE INSURANCE COMPANY

Topeka, Kansas

CHARLES A. MOORE, PRESIDENT

copy of the stock purchase agreement on the policy. Therefore, such policies would comply with the statute and would not be affected in any way by the recent ruling of this department."

Congressman on Program

Congressman Maurice H. Thatcher will speak at the Kentucky Insurance Day banquet in Louisville Sept. 12. The banquet will conclude the first insurance day held in the state. It is being conducted in conjunction with the Kentucky State Fair. A pageant will be given to the public illustrating the evolution and developments of fire fighting apparatus.

Amicable Life Colorado Outing

The members of the \$100,000 Club of the Amicable Life of Waco, Tex., have returned from Colorado, where they spent more than a week on their annual outing. There were 53 members of the party this year. The outing was spent at Colorado Springs and Denver. President S. R. Wilson, Secretary Holt Massey, Agency Superintendent Edward E. Roberts and Medical Director Dr. Carl Lovelace, were the company officials on the trip. While the club goes by the name of the \$100,000 Club, agents to qualify for membership must produce \$125,000 business annually.

The annual meeting of the company agents will be held this fall in Waco, Superintendent Roberts says. It was announced that O. F. Wells of Gatesville is the leading producer for the period closing with the \$100,000 Club year.

Home Life Club on Tour

A party of 38, including 20 agents of the Home Life of Arkansas, together with four members of the home office staff, and wives of several of the agents and company officials, are on the fourth annual prize tour of the Home Life

\$200,000 Club. Vice-president V. L. Thompson is in charge.

The party went to Chicago and then embarked on a Great Lakes steamer for a cruise of three days and four nights on the lakes. The schedule called for several stops at points in Canada and some time in Buffalo. Agents who qualified for the trip produced at least \$200,000 of paid business from Aug. 15 to Aug. 15. Agents producing \$350,000 or more were allowed to take their wives. This year's party was the largest ever sent on a club tour.

Kentucky Indictments Dismissed

Indictments returned at Frankfort, Ky., against Vincent P. Whitsett of New York, counsel for the Association of Life Insurance Presidents, and William Duffy of Louisville, known as an authority on workmen's compensation matters, have been dismissed, as there were no witnesses against them. They were charged with appearing on the floor of the Kentucky legislature at its last session without the consent of that body.

"Dead" Man Found; Enjoin Collection

An injunction has been granted in chancery court of Richmond, Va., restraining Mary L. Botto, Sheriff Mercer, and their attorneys from attempting to collect judgment of \$1,000 rendered against the Metropolitan Life in favor of Mrs. Botto. This action follows attempts of Mrs. Botto to collect insurance on the life of her husband, William J. Botto, former Richmond policeman, supposed to be dead until he was located recently in Baltimore. The Virginia Court of Appeals recently affirmed the trial court holding that Botto was legally dead. He was located in Baltimore soon after the appeal court handed down its opinion.

The injunction was sought when Mrs. Botto served a lien on the bank deposits of the insurance company and levied on its office furniture for the amount of the insurance.

PACIFIC COAST AND MOUNTAIN FIELD

WESTERN STATES MEN MEET

El Dorado Club Holds Annual Meeting at Coronado—President Harris Welcomes Agents

The El Dorado Club of the Western States Life held its annual meeting at Coronado, Calif., last week. The membership of the club is confined to agents producing \$125,000 of paid-for business during the year. Vance Cicchitti, of San Jose, who has been a leading producer of the company for more than 12 years, is the new president of the club, which honor was won by leading the field with 107 applications for a total of \$528,300 of new insurance.

The program of business and entertainment was prepared by Field Secretary C. W. Hollebaugh. The address of welcome was given by President Marshall C. Harris and there were talks by other home office officials on various phases of company methods. The program also included addresses by a number of leaders in the field.

The entertainment features included a trap shooting contest, golf tournament, automobile trip into Mexico, a launch ride on San Diego bay, including a visit to one of the battleships, a dinner dance and the annual banquet with which the convention closes.

Breidecker Is Promoted

C. W. Breidecker of the Central States Life of St. Louis has been made agency supervisor, traveling out of the home office. He went to the company in July, 1926, and the following year he was made manager of the home office general agency.

NEW YORK LIFE MEN MEET

Company's \$200,000 Club Members Hold Informal Two-Day Convention at Victoria, B. C.

SEATTLE, WASH., Aug. 6.—The Pacific and western departments of the New York Life closed an informal three-day joint meeting with a luncheon on Wednesday this week at the Empress hotel, Victoria, B. C. Some 200 delegates, comprising the \$200,000 Club men were in attendance at the annual meeting, this being the fifth time the gathering has been held at Victoria. Territory represented included California, Oregon, Washington, Wyoming, Idaho, Montana, Alberta, B. C., the Yukon and Alaska.

Home office officials attending were L. Seaton Lindsay, second vice-president, and William F. Rohlf, assistant secretary. The sessions were entirely informal, no program being distributed. A. S. Elford, inspector of agencies, western division, and Fred W. Wickett, inspector of agencies, Pacific division, divided honors in presiding.

The program included automobile drives and golf tournament. At the banquet Friday night, L. Seaton Lindsay and Jack Parker, agents' counselor, of Cleveland, O., were the principal speakers. Arrangement for entertainment of the visitors was in charge of Alex Peden of Victoria. After the convention Mr. Lindsay and Mr. Rohlf left for Del Monte, Cal., to meet with the \$400,000 Club Sept. 10-14.

"In selling, stick to one key issue of major importance—don't digress from it."

Dynamic Detroit Life

Old enough to have established itself firmly among the most progressive life insurance organizations; yet young enough to maintain a personal interest in each of its agency men.

These facts mean much to you if you contemplate entering the profession of life insurance salesmanship or if you are seeking a new opportunity.

Desirable territories available in the State of Michigan.

DETROIT LIFE INSURANCE COMPANY

"The Company of Service"

M. E. O'Brien, President

2210 Park Avenue

Detroit, Mich.

85 Years of Life Insurance Ideals and Service !

An ideal became a reality when, on February 1st, 1843, "THE MUTUAL LIFE OF NEW YORK" issued its first policy. The business of life insurance on the mutual plan started in America then and there.

Priority in its field is not the Company's claim to greatness—age in itself is no great distinction. THE MUTUAL LIFE began with high ideals of business conduct, which still prevail. It aims at quality and to be highly honorable in all its dealings.

In its relations with policyholders and their representatives THE MUTUAL LIFE has an outstanding record.

Those who contemplate life insurance soliciting as a career are invited to apply to

The Mutual Life Insurance Co. of New York

DAVID F. HOUSTON
President

34 NASSAU STREET

GEORGE K. SARGENT
2nd Vice-President and Manager of Agencies
NEW YORK, N. Y.

NEW ENGLAND MUTUAL LIFE INSURANCE CO.

BOSTON MASS.

Chartered 1835

Organized 1843

The Agents of this Company, whose long History Underwrites its high Reputation, Accept a Duty and Enjoy a Privilege

Do Our Standards Appeal To You?



— Prospects —

A great problem of all agents is "prospects and where to find them."

The Direct Mail Advertising Service of The Ohio National Life Insurance Co. helps the agent solve this problem.

Eight groups of letters are furnished agents covering the following insurance needs: Family Income, Old Age Income, Insurance for Employed Women, Juvenile Insurance, Education Insurance, Mortgage Insurance, General Coverage, Business Insurance.

The service is free to Ohio National agents.

Our record to date is six good prospects from each ten letters.

For information, write:

The Ohio National Life Insurance Company

T. W. Appleby
President

Cincinnati, Ohio

E. E. Kirkpatrick
Sup't of Agencies

YOUR OPPORTUNITY

Are you ready to broaden?

**Regional Manager or General Agent.
Splendid inducements.**

We have had 21 years consistent growth and are now in an extensive expansion program.

Agency Department under men who understand your problems.

We have a special contract for choice territory in Minnesota—South Dakota—Nebraska—Iowa.

Honesty—Ability to write new business and build an agency are the essential qualifications.

Write us in confidence to see if our desires and qualifications are mutual.

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Care The National Underwriter

Question:

What special aid in briefing cases is available to Lincoln National Life agents?

Answer: Through its research and briefing department LNL agents are aided in making special preparation in working out important cases. This is one of many valuable Lincoln Life services to its agents.

Question: Has The Lincoln National Life done all of its growing?

Answer: No! It is growing more rapidly than ever. It passed the mark of a half million in force in record time. It plans to do the same in passing the million mark.

The LINCOLN NATIONAL LIFE INSURANCE COMPANY

"Its Name Indicates Its Character"

FORT WAYNE, INDIANA

More Than \$550,000,000 in Force



IN THE ACCIDENT AND HEALTH FIELD

BARS NEWSPAPER POLICIES

Attorney General Says They Are Illegal in Kentucky When Issued in Usual Way

FRANKFORT, KY., Sept. 5.—An opinion handed down by Attorney General Cammack is to the effect that newspapers of Kentucky cannot legally offer accident insurance to their subscribers at reduced rates or give them insurance with newspaper subscriptions without violating the insurance laws of Kentucky. The opinion even goes further and holds that the policies so issued are invalid. He says:

"I am of the opinion that any newspaper which gives away or offers to give away free an insurance policy similar to the copies furnished by the 'Courier-Journal' and 'Herald-Post' is in violation of section 656 of the Kentucky statutes. I am of the opinion that the offering of these policies together with the paper for certain fixed time at the usual published price at which the paper is offered to the public alone, is a rebate within the purview of Section 646, supra."

Newspapers, however, may offer policies, the opinion says, if sold at their regular rates and to anyone wishing the policy. One paper, he said, advertised that its insurance policies were issued exclusively to readers of that paper, which, the opinion says, is a discrimination and in violation of the law.

Holds 25th Anniversary Convention

The 25th anniversary convention of the Unity Protective Insurance Association, writing life, accident and health insurance, was held in Syracuse, N. Y., with 400 agents and executives present. William T. Rafferty, president, spoke, as did also Horace M. Stone, Daniel J. Kelley, M. W. DeWaters, Thomas P. Kehoe and E. R. Deming. W. F. Gooshaw was in charge of the banquet.

Fisher on Agency Tour

Dr. Roy C. Fisher, superintendent of the health and accident department of the Ohio State Life, is making a tour of the company's agencies this week in connection with his attendance at the meeting of the Health & Accident Underwriters Conference in Chicago.

IS MOVING TO LOUISVILLE

Equitable Life & Casualty of Chicago Buys Building There—Is Kentucky Corporation

The Equitable Life & Casualty of Chicago has purchased a 10-story building at Fourth and Market streets in Louisville for \$350,000 and will take possession some time between Nov. 1 and Jan. 1. The deal was made by J. W. Bain, president of the company, and B. A. Merrelle, his associate, and J. Ross Todd of Louisville, a capitalist. Although the office of the Equitable Life & Casualty is in Chicago, it is a Kentucky corporation. It was organized under the Kentucky laws in 1923 and is doing business in Illinois, Kentucky, Colorado, California, Oklahoma and Indiana.

As a result of this purchase the main office of the company will be moved to Louisville. The building there will give opportunity for needed expansion of the company's business and President Bain considers that as it is incorporated in Kentucky it is proper to maintain the main office in that state. A branch executive office will be continued in Chicago.

Liquor Case Up in Virginia

The Zurich is defending a suit in federal court at Norfolk, Va., involving a \$5,000 accident policy carried by a New York man who died in Norfolk as a result of drinking poisoned bootleg whiskey. His administrator is suing for recovery of the amount of the policy contending that his death came within the range of an accident. The company claims that inasmuch as he drank the liquor purposely, it was not an accident, even though he had no knowledge that the liquor contained poison. Courts in two states have passed on this point, one holding that death resulted accidentally while the other held that death was not the result of an accident. The Norfolk suit is scheduled to be heard at the November term of court.

Licensed in Nebraska

LINCOLN, NEB., Sept. 5.—The Twentieth Century Life of Chicago and the Provident Life & Accident of Chattanooga have been admitted to Nebraska. The Provident will carry on its business through railroad ticket agents who are licensed as insurance agents.

NEWS OF THE FRATERALS

SETS FORTH LEGAL STATUS

Assistant Attorney General Says Fraternal Society Member Generally Has No Court Redress

Addressing the annual convention of the Southwest Mutual Benevolent Association at Greenville, Tex., Assistant Attorney-General Brann Fuller, in charge of insurance matters coming before the attorney-general's department, warned agents of fraternal benefit societies in securing members and issuing policies of insurance that they keep well within the confines of their authority and guard against the acceptance of an insurance risk with knowledge of a condition or fact that would render the applicant ineligible for membership. He said this was important "as the courts construe the insurance contract in favor of the insured and recognize waivers under many circumstances, holding the insurance company liable."

No Redress in Courts

Judge Fuller also said that as a general rule a member of a fraternal benefit society has no redress in the courts against the society in the exercise of its authority of members unless a property right is involved, the policy of the courts being to leave the internal management

of societies solely to those in authority, making their decision in such matters final.

"The affairs of all corporations must be managed by agents through whom all their business is transacted," Judge Fuller said, "and whether these agents are called officers, directors, committees or representatives they are nevertheless agents, and the general rules of agency apply. Fraternal benefit societies incorporated furnish no exception to this rule. The charter, taken in connection with the constitution and by-laws is the fountain of authority defining and limiting the agents' duties and powers, and beyond these definite powers they cannot go."

Fraternal Case Decided

Held that, under the contract the insured had a right, when payments had been made for 72 months, to pay such assessments as she was called upon to pay to keep in force the policy of \$1,000, and that if any increase of assessments was thought necessary by the company in order to keep in force the insurance at that amount, notice to insured of the increased amount should have been given. When a mutual assessment company assumed the insurance contracts of another such company, and sent a rider to a member to be attached to the certificate of membership issued by the

original company, assuming the certificate of membership so issued, but did not supply the member with a copy of the contract between itself and the company which issued the certificate of membership, but only referred thereto in the rider as a copy thereof having been filed in the insurance department of the state, insured cannot be held as having

accepted the terms of the merger contract, and, in action to recover on the original policy, her beneficiary is not bound by the terms of such merger contract. American Insurance Union vs. Benson, 172 Ark. 1043, and Knight vs. American Insurance Union, 172 Ark. 303, distinguished. American Ins. Union vs. Rowland, Sup. Ct. Ark.

NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and April respectively. PRICE, \$4.00 and \$2.00 respectively.

ISSUES TWO NEW POLICIES

Illinois Life Offers Semi-Paid-Up at 75 and Semi-Endowment at 75

The Illinois Life has issued two new policies. The semi-paid-up life at age 75 policy furnishes, for each unit, \$1,000 protection to age 75 and becomes paid up at that age for \$500.

The semi-endowment at age 75 policy furnishes, for each unit, \$1,000 protection to age 75 and matures at age 75 as an endowment for \$500. The minimum amount for which these policies will be written is \$3,000.

The annual premium schedule follows:

Age	Semi-end. at 75	Age	Semi-pd. up at 75
21	\$14.09	39	\$24.19
22	14.43	40	25.11
23	14.79	41	26.11
24	15.18	42	27.17
25	15.57	43	28.31
26	16.00	44	29.51
27	16.43	45	30.81
28	16.90	46	32.15
29	17.39	47	33.58
30	17.91	48	35.11
31	18.46	49	36.76
32	19.03	50	38.54
33	19.63	51	40.44
34	20.29	52	42.49
35	20.98	53	44.72
36	21.71	54	47.12
37	22.49	55	49.71
38	23.30		52.71

David E. Goode Dies

David E. Goode, assistant superintendent of the Richmond, Va., district of the Prudential, died last week. He had filled that position for two years. For a year and a half previously he worked out of the office as an agent. F. A. Farmer, promoted from the district sales staff, succeeds him.

HIGHER LIMITS ANNOUNCED

Provident Mutual Declares Demands of the Day and Growth of Company Cause Action

The Provident Mutual announced larger limits this week. It says: "In view of the current demand for life insurance in larger units of amount, and the growth of our company in recent years, the limits of insurance issued on male lives on the life or endowment plan without disability provision are increased, effective today. No change has been made in the limits for term insurance or for insurance on the lives of women. The new limits are as follows:

Ages	Other Than Term		Term Insurance	
	Men	Women	Men	Women
14-15..	\$20,000	\$20,000	\$20,000	\$20,000
16-20..	60,000	50,000	50,000	50,000
21-22..	150,000	100,000	50,000	50,000
23-24..	200,000	100,000	100,000	50,000
25-30..	250,000	150,000	50,000	50,000
31-35..	200,000	150,000	.....	.....
36-40..	120,000	100,000	.....	.....
41-45..	50,000	50,000	.....	.....

"Change in limits on life annuity with specified payment at death contract—it has been found advisable to restrict the limit of amount issued on this contract to \$100,000 specified payment at death, which, as a matter of fact, is the largest amount the company has issued on any one such contract since it was placed on the market over three years ago."

License to write business in Kentucky has been issued to the Aid Association for Lutherans of Appleton, Wis.

The Clifford L. McMillen home general agency of the Northwestern Mutual Life of Milwaukee will have its annual picnic for the families of the agents at Mr. McMillen's summer home on Oconomowoc Lake Sept. 9.

LOCAL ASSOCIATIONS

SPONSORS INSURANCE COURSE

University Association of New York Completes Plans for Study of Business Coverage

NEW YORK, Sept. 6.—Horace H. Wilson, president, and Fred P. McKenzie, secretary of the University Life Underwriters Association of New York, are completing plans for a big year, work to begin very soon. The business life insurance course, sponsored by the association in the belief that this branch of the business has not been sufficiently developed or studied, will start the latter part of October and eight monthly lectures will be held, concluding in May. Men of national reputation have been asked to discuss vari-

ANOTHER FORWARD STEP

COMPLETELY REVISED POLICY FORMS

NEW OWNERSHIP, BENEFICIARY and ASSIGNMENT PROVISIONS

leave no doubt of the rights of the various parties who may have an interest in the policy.

A PLAIN ENGLISH POLICY that will particularly appeal to the conscientious life underwriter.

Also a new LOW COST PREFERRED RISK POLICY

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Incorporated 1899

PROTECTS THE ENTIRE FAMILY

POLICIES ARE ISSUED FROM BIRTH TO SIXTY YEARS NEXT BIRTHDAY

Home Life Agents are satisfied

A Home Life Contract brings prosperity and progress

* * * * *

Home Life policyholders are satisfied

A Home Life policy brings peace of mind to the man who loves his family

INDEPENDENCE SQUARE PHILADELPHIA, PENNA.

1851

1928

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Writes all forms of standard participating contracts. Our SERVICE to POLICYHOLDERS and our splendid spirit of cooperation between HOME OFFICE and FIELD FORCE are responsible for our great expansion. Territory open for connection with this fine old Massachusetts Company.

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PITTSFIELD, MASS.

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1871 57 Years of Existence 1928

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Chairman of the Board

BRADFORD H. WALKER
President

Richmond, Virginia

GOING STRONG

Paid-For Business for 1927

exceeded 1926 by . . . 43.44%

First six months of 1928 exceeded same period of 1927 by . . . 20%

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Write for sample copy and details.

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An Increased Opportunity

Because we have

Age Limits from 0 to 60.

Policies for substantial amounts (up to \$5,000) for Children on variety of Life and Endowment plans, thus enabling parents to buy all of the Family's insurance on the Ordinary, i. e. Annual, Semi-annual or quarterly premium plan.

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Same Rates for Males and Females.

Double Indemnity and Total and Permanent Disability features for Males and Females alike.

Standard and Substandard Risk Contracts, i. e. less work for nothing.

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If You Have Knocked
the "T" Out of "Can't"

WE CAN GIVE

1. You a liberal first year commission.
2. An unexcelled renewal commission.
3. Your beneficiary a renewal pension.



Stephen M. Babbitt
President

HUTCHINSON, KANSAS

Elbert Hubbard on Advertising:

ADVERTISING is the education of the public as to who you are, where you are, and what you have to offer in the way of skill, talent, or commodity. The only man who should not advertise is the one who has nothing to offer the world in the way of commodity or service.

ous phases of this subject and it is hoped the monthly lectures will be given by the following, in the order named: Messrs. Huebner, Bragg, Engelsman, Scully, Simon, Retzer, Lovelace and Coffin, each of whom is known throughout the country for his lectures and writings on life insurance. These lectures will be open only to members of the association.

Richmond, Va.—A year or so ago, the Richmond association, through its library committee, presented the Richmond public library with a few volumes to serve as the nucleus of an insurance library. Additional volumes have been presented from time to time so that there are now a total of 240 insurance books on the shelves. The committee, headed by Samuel B. Love, Virginia manager for the Mutual Life of New York, is planning to visit the library and interview Thomas P. Ayer, the librarian, to ascertain what use is being made of the works it has presented. The "Life Association News" is sent to the library monthly.

Miami, Fla.—The Miami association at its August meeting perfected plans for pushing a membership drive. It is hoped to increase the membership by at least 100. Harold Sweet, president of the association, was elected to serve as national executive committeeman.

Waterloo, Ia.—The Waterloo association will hold a dance and bridge party the night of Sept. 8. The committee in charge of the party is made up of Fred Repass, vice-president, Ray L. Short and Guy French. This event will open the association's winter season, for which a series of weekly meetings, with educational programs, is being planned.

Minneapolis—The Minneapolis association will hold its first fall meeting about the middle of September.

North Texas—W. E. Talbot, agency manager of the Southland Life, addressed the North Texas association at its last meeting. Mr. Talbot explained life insurance as an investment. He said it brings returns favorable with most of the recognized securities and he repeated the belief that life insurance has little value other than protecting the policyholder's family and business interests.

Binghamton, N. Y.—Fred E. Page, trust officer of the Peoples Trust Company of this city, spoke on "The Life Insurance Trust" at a meeting of the Binghamton association. Mr. Page told of the big strides made in bringing the advantages of the life insurance trust to the attention of insurance men, bankers, and others who might be interested in this subject. He stressed the advantages to be derived by beneficiaries through this means in the administration of estates.

BEHA ANSWERS MYRICK ON PROPOSED CHANGE

(CONTINUED FROM PAGE 3)

changing a law that has worked out satisfactorily for 21 years. As pointed out in my various memoranda, it has been necessary to amend sections 96 and 97 from time to time in the past. Without such amendments these sections would long ago have become unworkable. The time has now arrived when additional amendments are highly desirable.

"In your letter of Aug. 23 you state that you have letters from many company officials expressing their opposition to the proposed amendments. The following question was asked in a questionnaire enclosed with my circular letter of May 25, 1928, to all authorized life companies: 'Do you know of any valid objection to any of the proposed amendments?' Exactly 40 of the 47 authorized life companies answered this question. The replies of 29 of the 40 companies did not state any valid objections to the proposed amendments in their present form. The replies of six companies stated no decided objections or objections to only minor features of the proposed amendments. Only five companies stated any decided objections to the fundamental features of the proposed amendments. The objection of

one of these five companies was on the ground that the proposed amendments do not go far enough to correct the present evils. Only two companies objected to the proposed amendments on the ground that they involve radical changes in section 97.

"I think these facts indicate an overwhelming majority of the companies favor the proposed amendments.

Believes in Prevention

"I cannot believe that the agents who have the welfare of the business of life insurance at heart can justify opposition to the removal of legal obstacles to safe and proper reduction in premium rates. Do you oppose reductions in the premium rates of participating companies? In your letter of July 12, 1928, you state your committee believes that companies doing a non-participating business only, in this state, should be permitted to lower their premiums in line with current experience. Participating companies should be given the same privilege.

"In your letter of July 12 you also state your committee believes that the artificial discrimination in expense loadings between the different forms of policies issued by non-participating companies should be removed. This 'artificial discrimination in expense loadings' under participating policies should also be removed.

"You state further, in your letter of July 12, that your committee believes first year commissions should be limited to a maximum of 55 percent. The present law does not contain any such limitation. Furthermore, such a limitation would be meaningless unless certain items of expense allowances which are, in fact, compensation for securing new business, are brought under the effective control of the law.

"The department opposes any increase in acquisition expenses. Such an increase appears to be inevitable unless the improper tendencies towards extravagance are corrected. This department believes that the old adage, 'An ounce of prevention is worth a pound of cure' is applicable to the present situation in the life insurance field."

BORDEN AND KLINGMAN ARE VICE-PRESIDENTS

(CONTINUED FROM PAGE 5)

shall, Minn., a larger field, where his work attracted the attention of the home office, and in 1915 Mr. Klingman was made Minnesota manager outside the Twin Cities with headquarters in St. Paul.

Territory Is Extended

Subsequently the St. Paul and state agencies were consolidated under Mr. Klingman and his territory later extended to include all of Minnesota and the two Dakotas. The manner in which he has built up this agency from a comparatively small one to one of the half dozen largest in the country has made him widely known among life insurance men.

When he took over the complete agency for the three states he had 60 agents who were writing approximately \$3,500,000 a year. The agency now numbers 800 and is writing close to \$45,000,000 a year.

Mr. Klingman has been active in the Life Managers Association of St. Paul, in which he served one year as president. He is also president of the Citizens State Bank of Redwood Falls, Minn. He is married and has two sons, one of whom is associated with the Equitable.

He was guest of honor at a dinner given in Minneapolis the evening of Aug. 30 by Mr. and Mrs. G. B. Hedding of that city. Members of the Equitable staff in the two cities were present. Mr. Klingman left for New York Sept. 4 to assume his new duties. He will retain his connection with the St. Paul branch agency, which will be in direct charge of A. B. Dalager of Austin, Minn.

Security—

When the Mutual Benefit was organized in 1845 there were only a few Life Insurance Companies in the United States. Through the Wars, Panics and Epidemics of all these years, it has always stood safe and secure as a foremost disciple of Pure Life Insurance.

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MISSOURI STATE LIFE FORMALLY TAKES HOLD

(CONTINUED FROM PAGE 5)

holding as security for these loans 16,700 shares of International Life stock, and W. G. Darst, secretary of the International Life, will be examined before Referee Coles. Darst is out on bond, having been arrested on a charge of signing a certificate for 3,000 shares of International Life stock that was issued in excess of the legal limit.

The relations of the Toombs & Daily Company with the International Life are very complex. Receivers for the life company contend that the \$3,562,952.24 Roy C. Toombs is alleged to be short with the company was sent to Toombs & Daily Company, while on the other hand the investment company receivers say that Toombs is short some \$2,000,000 with that company and that its securities were sent to the life company without a return being made to Toombs & Daily.

Toombs Evades Issues

In the meantime Toombs has Circuit Attorney Howard Sidenor of St. Louis running around in a legal circle, so to speak, as to date the former president of the International Life, hiding under the protecting arm of the United States District Court in Chicago, has succeeded in using a federal civil court proceeding to prevent the Missouri authorities from forcing him to answer to four criminal warrants issued for his arrest. Apparently Circuit Attorney Sidenor and the Chicago police are unwilling to raise the question of state rights and force Toombs to return to St. Louis.

The St. Louis September grand jury, which convenes this week, will make an exhaustive investigation into the affairs of the International Life. Persons in close touch with the situation say that the check-up will go beyond the time of the company's purchase by Roy C. Toombs for \$3,101,000 in June, 1927. Its scope may go beyond the limits of St. Louis.

CENTRAL LIFE'S FIELD LEADERS' HOLD MEETING

(CONTINUED FROM PAGE 9)

subject was "Pick Good Ones." Dr. Burrows also spoke briefly. His principal point was that the home office medical department has its greatest difficulty in picking good risks because field men fail to obtain full answers to many of the questions asked in the application and the home office cannot work from half an answer.

Minor Morton, who recently joined the company as agency director, stated it as his belief that production is determined absolutely by the number of people the agent sees. "If you see 50 percent more people you will sell 50 percent more insurance," he said. He also said that although most agents are prone to believe that the agents of another company are getting a "better deal," the fact is that all agents of all companies are given as good treatment as each company can give.

Field Men Speak

The afternoon session was given over to addresses by various field men. They were: John R. Maney, Cedar Rapids, Ia., general agent; J. M. McGovern, North Dakota general agent; Richard Schattinger, Los Angeles; O. B. Essington, Joliet, Ill.; W. E. Pile, agency supervisor. Mr. Maney repeated for the agents an argument made to him by an illiterate woman against paying the proceeds of a policy in a lump sum. The woman pointed out that the money so paid probably would be spent almost in a lump sum and therefore would not serve the beneficiary so well as will money paid in installments.

Mr. McGovern made the point that an agent's wife can help him by passing on to him the news she hears of events that

create new needs for insurance. Mr. Schattinger stressed the value of the juvenile policy as an entering wedge into a family, emphasizing the juvenile policy as a teacher of thrift to the young and the old. He said that the agent should try to sell the policy with the waiver of premium clause, for then the agent learns whether the father of the family is insurable, and if so, how much insurance he carries. Mr. Essington, winner of the president's cup, awarded for volume in the "President's Month" (June) contest, told a plain tale of hard work done to win the contest. Mr. Pile spoke "In Monologue," combining the serious with the humorous.

As a surprise for Minor Morton, most of the agents attending the convention brought along a few applications and presented them to him at the meeting.

Should Stay With One Company

Fred W. Potter, formerly insurance superintendent of Illinois, gave an address at the last session of the convention. He advised agents to stay with the same company and not shift about. He said that 34 years ago he started with a rate book for the Mutual Benefit Life and he has continually been with the company when he has been in the life insurance business. He declared that nothing is gained by changing companies.

Mr. Potter stressed the great value of a man's providing for himself in arranging for forms of policies that mature at age 65 or thereabouts. He said that life insurance as property should be more emphasized than it is. It is a possession that is more solid and secure than any other form of property that can be purchased.

Mr. Potter said that if he were starting in the life insurance business as a new man he would insure just as many people as he could the first few years, even if he sold only \$1,000 policies. He would make as many contacts as possible. He would get as many men on the books because policyholders form the most fertile source of new business. If a policyholder is treated right he will treat the agent right. Young men take additional insurance as they go along. They become more valuable as policyholders.

Will Be Great Help

These policyholders will be of the greatest possible help to the agent. They will be educated as to the value of life insurance. The life insurance man will have the opportunity of starting them on a definite course and mapping out a program. They do not need to be cultivated after they have become convinced that life insurance will enable them to carry out their desires. When a prospect is changed into a policyholder he immediately becomes a booster as he is satisfied with his insurance. Policyholders, he said, that are treated right and sold right are the most valuable asset of an agent.

Well Organized Agent

Mr. Potter declared that an organized agent is one who is able to give a convincing talk and argument on any need of life insurance. This man is never taken by surprise when he is asked a question or has to shift his attack. He is never helpless. On a moment's notice he is prepared to take advantage of any opportunity that comes up. In soliciting a prospect the man may have mapped out a certain program and then will discover that he needs to take an entirely different attack. He proves himself master of his job if he can take advantage of everything that comes up. He said that a life insurance man should know his business and know it well. He should be a specialist. He should be well prepared for the job he is trying to do.

Squander Too Much Time

Mr. Potter declared that the trouble with many life insurance men is that they squander time and do not seem to be able to map out a day so that they

NOW READY!

The New 1928 FRATERNAL DIGEST

Second Annual Edition
A Complete Analytic Report
of
**THE FRATERNAL ORDERS
and
MUTUAL LIFE ASSOCIATIONS**

Designed to answer any question which may arise involving Fraternal and Assessment Insurance—that's the 1928 Fraternal Digest.

The Fraternal Digest shows the facts concerning not only the financial standing of the various societies, but also the details of the coverage offered, the cost, the dividends or refunds, surrender values etc. It gives the information that you as a good judge of insurance want and need to know about the Fraternals and Assessment Companies.

Complete figures on assets, liabilities, reserves, income, disbursements and other items of the Annual Statement are shown. Rates are given on the various plans of insurance as well as dividends and cash values by fraternals which are granting these benefits. The valuation ratio is given which indicates the percentage of solvency. In many cases it is necessary to differentiate between the old business and the new owing to the fact that a legal reserve basis has been adopted in most cases in recent years. Where obtainable, the annual statement figures in the Fraternal Digest show the different classes of business.

Heretofore the available reference material on Fraternals has been limited to fraternal publications treating the societies from the standpoint of the fraternal side. The Fraternal Digest presents impartial facts, treating the Fraternals as insurance institutions primarily.

The fact that the Fraternals wrote well over a billion new business in 1927 makes them a part in the insurance business. Great changes have taken place in the Fraternal field in the past few years—new plans of operation, re-rating on legal reserve basis etc., warranting the publication of a book dealing with these societies as insurance organizations.

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25 copies	1.85 each
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Address

City..... State.....

will keep busy all the time in spite of themselves. They are too prone to find excuses for loafing. He said that very frequently in the canvass he finds a man who is president or general manager of a concern that is prospering and paying good dividends. The man figures on leaving his share of the business to his family. Mr. Potter then inquires of the man whether he is sure that on his death the dividends will continue and whether the concern will be as profitable. He tells the man that he is practically the creator of the dividends. A security of this kind is very uncertain. It depends very largely on one man or a few men. While it may be paying fine dividends now the chances are that it will depreciate on the death of the key man.

NEWS FROM NEW YORK

(CONTINUED FROM PAGE 12)

of insurance, premiums of \$825, and in 1927 an additional \$25,000, premiums of \$1,028. The total premiums on both lives, all of which were placed in the Equitable, amounts to \$22,980.

"This in brief constitutes my selling experience in this case and you may be interested to know that the insured has agreed to have me build up his insurance estate to \$1,000,000 within the next three or four years."

KEFFER SUPERVISORS NAMED

R. H. Keffer, New York general agent of the Aetna Life and country-wide leader in the recent Luther drive, has appointed Leslie D. Briant agency supervisor and Stanley M. Weiland assistant agency supervisor. Mr. Briant will have complete charge of all agency work. He is an old Aetna man, having been with the company for many years and with Mr. Keffer since he took up his work in New York, first in the Broadway office and more recently in the William Street office. Mr. Weiland will assist in agency direction. He has also been with Mr. Keffer since he came to New York, being a Scranton man and coming to New York when Mr. Keffer did. John J. Outcalt, who has been asles promotion manager for the Keffer agency, in charge of the special group of salaried agents, has resigned to become general agent for the Penn Mutual Life at Birmingham, Ala. Mr. Outcalt is a 1924 West Point graduate and since 1925 has been in the life insurance business, first with the Travelers in Washington, D. C., and later with the Aetna with the Hart & Eubank agency in New York.

The Keffer agency organization and invited guests were tendered a dinner Thursday evening at the Hotel Astor by Mr. Keffer, in celebration of the recent achievement in the Luther drive. The agency will also enjoy an outing this Saturday in a group attendance at the Polo Grounds baseball game.

YEAR'S GAIN IS BIG

The Ives & Myrick agency of the Mutual Life of New York paid for \$2,770,350 in August, bringing their year's total to date to \$30,878,321, compared with \$25,999,644 in the same period of 1927, a gain of about 20 percent this year.

LEAVES "INSURANCE NEWS"

Albert N. Willison, who has been managing editor of the "National Insurance News" of New York City, since its launching several months ago, has severed his connection with the enterprise.

People's Life Convention

The annual convention of the People's Life of Frankfort, Ind., was held at Frankfort on Aug. 30-31. Agents were present from every state in which the company operates. Several well known insurance men from different parts of the country were on the program.

Insurance Stock Quotations

CHARLES SINCERE & CO., of Chicago, the investment house, gives the following stock quotations for insurance companies:

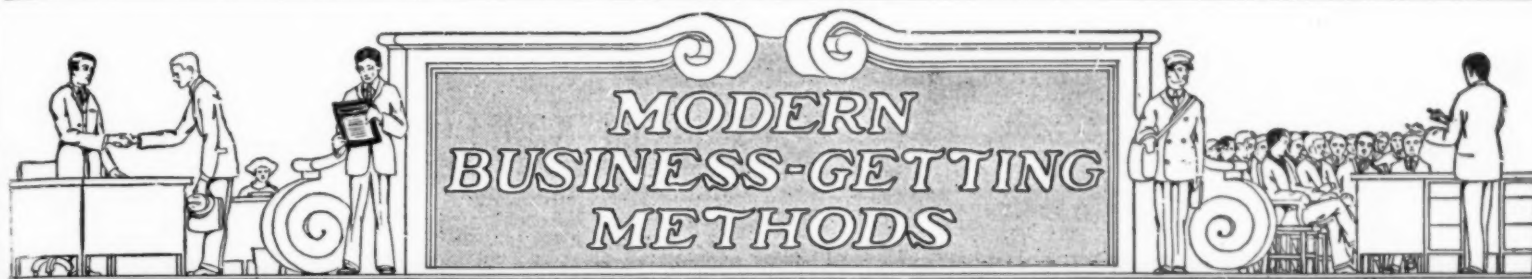
Stock	Par	Bid	Asked	Div. per Share
Abr. Lincoln L.	20	40	...	6%
Aetna Cas....	100	1175	...	12
Aetna Fire....	100	830	840	24
Aetna Life....	100	880	890	12
Agricult. Fire.	25	130	140	4
Alliance	10	85	90	2
Amer. All....	100	550	600	16
Amer. Auto....	10	550	600	2
Amer. Drug. F.	25	80	83	10%
Amer. Equit....	5	31	35	2
Amer. N. J....	5	29	30	1.00
Amer. Res....	10	88	95	2.20
Automobile ..	100	425	435	1%
Balt. Amer....	10	85	87	1.20&Ex
Bank. & Ship..	100	550	570	18
Boston	100	550	570	18
Brooklyn Fire.	25	1200	115	.....
Buffalo	100	450	...	13
Camden	5	32	34	80
Carolina	10	67	70	1.40
Gen. West Cas.	50	67	73	4%
Chgo. F. & M.	10	17	19	.....
Chgo. Nat. Life	10	20	...	.....
City of N. Y....	100	600	625	16
Col. Nat. Life..	100	350	...	7
Coml. Cas....	10	50	55	2
Commonwealth	100	700	...	20
Conn. Genl. L.	100	1775	...	12&Ex
Cont. Life, Ill.	10	95	...	1.60
Cont. Cas....	10	73	...	1.60
Cont. Fire....	10	84	86	2.00
Detroit F. & S.	50	68	72	4
Detroit Life....	50	150	175	6
Detroit Nat. F.	25	19	22	4%
Farmers Nat. L.	5	22	25	20%
Fidel. & Cas..	25	195	205	5&Ex
Fidel. & Dep..	50	260	280	7&Ex
Fidel. Phenix.	10	85	87	2
Fireman's Fd..	25	110	120	5%
Firemen's N. J.	25	48	50	2.20
Franklin Fire.	25	400	410	8.00
Glens Falls....	10	61	63	1.60&Ex
Globe & Rut..	100	2525	2575	44
Gr. Am. Indem.	10	78	82	.....
Gr. Am. Fire..	10	52	54	1.60
Great Lakes...	10	11	13	.....
Hanover Fire..	10	82	87	10%
Harmonia Fire	10	79	81	1.40
Hartford Fire.	100	830	840	20
Htfd. St. Boll.	100	780	800	16&Ex
Home Fire....	100	615	625	20
Homestead F..	10	41	44	60c
Imp. & Export.	25	85	95	4
Indep. Indem..	10	26	28	.....
Indep. Fire....	10	20	25	6%
Ins. Co. N. A.	10	83	84	2&Ex
Ins. Secur. Co.	10	25	26	14%
Line. F. N. Y.	25	85	95	4.50
Line. Natl. L.	10	127	135	2.00
Lloyds Pl. Gl.	100	280	300	16.2%
Md. Casualty..	25	165	175	4.50&Ex
Metropol. Fire.	10	9	16	1
Milw. Mech....	10	48	52	1.60&Ex
Mo. State Life.	10	96 1/4	97 1/2	1.20
Montana Life..	10	15	...	8
National Cas..	10	56	59	1.20
Natl. Fire....	100	1110	1150	20&Ex
Natl. Liberty..	5	97	99	20&Ex
New Brunswick.	5	58	62	4
N. Y. Cas....	25	90	95	4
Niagara Fire..	25	135	142	10
Northern, N. Y.	25	130	140	.....
N. Amer. Life.	50	210	225	20%
N. W. Nat. F..	25	220	240	5%
Old Line Life..	10	38	...	15%
Pacific Fire...	25	170	180	2.50
New Pac. M. L.	100	96	98	20
Peoples Nat. F.	10	61	63	1&Ex
Peoria Life....	10	45	...	16%
Phoenix, Conn.	100	815	825	20
Preferred Acc.	100	595	575	23
Presid. F. & M.	25	29	...	.....
Prov. Wash....	100	760	775	1&Ex
Reliance Fire.	10	28	32	1.20
St. P. F. & M.	25	24	27	4
Southern Sur..	10	36	38	12%
Springfield ..	225	195	215	4
Stuyvesant	100	290	305	6
Sun Life.....	100	1750	1850	25
Travelers	100	1565	1587	16
U. S. F. & G..	50	400	430	9&Ex
U. S. Fire....	20	110	125	1.20
Westchester ..	10	95	98	2&Ex
Wisc. Nat. Life	10	18	...	8%

Release International's Iowa Assets

Iowa assets of the International Life, which were ordered transferred to the state insurance commissioner by Judge Franklin Aug. 14, were released through another order signed by Judge Lester Thompson.

Judge Thompson's decree was made on the application of Attorney General Fletcher, who said policyholders of the company in Iowa had been protected through a reinsurance agreement with the Missouri State Life. The reinsurance plan had met with the approval of Commissioner Yenter, the attorney general stated.

An application by the state to appoint a receiver for the assets was nullified by Judge Thompson's order.



Agents in Convention Give Many Valuable Suggestions for Selling More Business and Keeping It Sold

MANY valuable suggestions for obtaining business were made at the second day's session of the Illinois Life \$100,000 Club convention at the company's home office in Chicago, Aug. 30-31. Fifteen speakers were on the program, and although for this reason all of them spoke briefly, most of them spoke strictly on selling.

W. J. Parkinson, field superintendent of the company, used figures to show how small the policy average is in the United States, and gave it as his opinion that one of the first things the agent should do is sell larger policies. He gave a practical method of increasing the size of the policy, saying in part: "Show your prospect that according to known experience of longevity a man's future earning capacity is so much, according to his attained age at the time you interview him. Almost every man has something besides his life insured. Where all but his life is concerned the amount of insurance carried usually is adequate. The agent usually can make a start toward writing a policy in adequate amount by asking, 'Why insure

your automobile, which is replaceable, for its value and insure your life, which is irreplaceable, for less than its value?"

Country Agent Must Work Harder

Mr. Parkinson said that the city agent can see in any day more people than the country agent can see, and that the country agent therefore must work harder, and more hours, than the city agent must work to write any given amount of business. He said it is questionable whether an agent should use the word "insurance" at the beginning of an interview, as many people who have no life insurance education must be led gradually to the life insurance idea. Mr. Parkinson also said the agent is foolish who is backward about trying to write his friends. He said one of the most friendly acts an agent can do for his friend is sell his friend enough protection to assure the comfort of the friend's family after the wage earner is gone. He advised against actuarial displays in the sale, saying it is his belief that actuarial knowledge handicaps the

agent by seducing him away from the protection idea into the wilderness of figures. Finally he said, "It is as necessary that you fit the policy to the circumstances as it is that you effect the sale."

Illustrated Advertising Is Considered Best Kind

F. C. Stagg, manager of the Chicago northwest agencies, speaking on advertising as an aid to selling, said that advertising is successful only insofar as it assures service to those to whom its appeal is made. He said that illustrated advertising is the best kind for the insurance agent, no matter whether it be publication or outdoor advertising.

J. E. Wroughton, associate manager for Illinois, said with reference to delivering the policy, that the agent should complete the sale when delivering the policy, by explaining again and at length how the policy fits the assured's needs. He said the agent should not oversell in order to obtain a larger first-year commission, for it may evenuate that in the next year the business will go off the books and the agent will receive no commission.

W. L. Coonrod, district manager of the southwest department, said he dislikes the 20-pay policy because of the cash-outs that result from it. His preference, he said, is for the endowment

policy, which can be converted to straight life at any time and therefore is, in his opinion, better protection for the assured.

A. A. Amy, district manager for Illinois, works largely in the rural areas and is well acquainted with the psychology of the farmer. He said the farmer is still to a large degree an individualist, considering his farm his factory and himself and his family the production unit. He said the agent should approach the farmer as an individualist and should talk to him in terms of the family unit. He said that most farmers dislike the idea of the family breaking up and therefore are open to suggestions for insurance to protect their children against having to leave the farm and separate from one another to make a livelihood. He said it is possible to appeal to many farmers on the basis of carrying insurance in an amount sufficient to permit the children to clear the farm of whatever indebtedness may be on it and working it after the head of the family is gone. As a final word he said it is always advisable to have the farmer's wife present at the interview, for in many cases she is director of the budget, without whose authority no large expenditures are made.

Mrs. Adeline Pate, who has had considerable success in soliciting by telephone, said she never makes a telephone

Our Men Succeed

Here Are a Few of the Reasons

Two proven prospect circularization plans—

Educational Department—

Business Library for Agents—

Service Bureau supplying hundreds of leads monthly—

Juvenile Policies in addition to a large number of up-to-date policy contracts—

An agency contract direct with the Company—

All officers practical insurance men.

Let us hear from you

THE BANKERS RESERVE LIFE COMPANY

(In 42 States)

R. L. Robison, President
W. G. Preston, Vice-President

Home Office
Omaha, Nebraska

Business in Force, \$121,000,000.00

A TOWER OF STRENGTH

Insurance in Force
\$1,500,000,000

ASSETS\$400,000,000

SURPLUS AND CONTINGENCY

FUNDS 57,000,000

TOTAL LIABILITIES 343,000,000

(Including Paid-up Capital)

Interest on policy proceeds, profits, etc.,
left with the Company
FIVE AND ONE-HALF PER CENT

Total investments in United States securities
exceed \$168,000,000

Dividends to Policyholders increased
for eighth successive year

SUN LIFE
ASSURANCE COMPANY
of CANADA

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Actuarial Service in all branches of Insurance and for Pension Funds—Examinations and Appraisals—Statistical Service and Installations—Companies and Associations managed under contract—Office Systems and Reorganizations—Insurance Accounting and Auditing.
75 Fulton Street New York

OKLAHOMA

T. J. McCOMB COUNSELOR AT LAW CONSULTING ACTUARY

Premiums, Reserves, Surrender Values, etc., Calculated. Valuations and Examinations Made. Policies and all Life Insurance Forms Prepared. The Law of Insurance a Specialty.
Celcord Bldg. OKLAHOMA CITY

call until she has obtained as much information as possible on the prospect she calls. She said that she finds her method obviates many refusals.

F. L. Medley, manager of the Michigan state agency, stressed the fact that many parents today cooperate generously toward getting their children started in life and that therefore they can be brought to the agent's assistance in selling policies to young people, especially to young men.

Explains Sale of Mortgage Insurance

One of the outstanding talks of the session was that made by T. J. Henderson, who spoke on his work among organizations of Michigan farmers who have borrowed money from the government. The government demands that the farmers to whom it lends money carry fire and windstorm insurance on all projects on which it lends money, and that it demands further that the farmers form organizations to handle their borrowings and their insurance. Mr. Henderson finds that through the secretaries of these organizations, who are themselves farmers, the live agent can sell large amounts of life insurance to all of the members to protect their families against loss of their farms through foreclosures in the event of the death of the family head.

L. N. Thurston, speaking on programming insurance for policyholders, said it is his experience that programming intelligently done leads to increased sales because it frequently reveals to the assured the inadequacy of the protection carried. He said that the old policyholder should be every agent's best prospect, and that the agent who so considers his policyholders will in any year not only write additional business on them, but will cement his friendly relations with them.

I. A. McBride, speaking on business insurance, said his experience is that in communities in which most of the businesses are small, the agent has a good opportunity to place many small business policies, no matter how the business is organized. He said that the

small business policy properly sold is carried on from year to year as is a personal policy—that the persistency record is, in his experience, high.

SPECULATIVE COMPANY DENOUNCED BY FREEDY

(CONTINUED FROM PAGE 3)

of securities have been misplaced by company officials, and explained that he brought this point out, not for the purpose of making an accusation, but to illustrate that circumstances may arise over which the department of insurance does not have absolute control.

"Faith and credit must ordinarily be extended to the managements of the companies. If this is violated in the submittal of periodical sworn statements or in the interim between such filings or between the periods of personal examination of the company's books and records, the department should not be held responsible for such irregularities.

"Another matter that may properly be the subject of criticism is the speculation in insurance stocks, which has had the tendency to create a hectic market not only in the sale of the shares of companies already organized, but has stimulated an activity in the organization of insurance companies unprecedented in the history of the country. And the ease with which insurance capital is obtained is astounding, for surely the dividends paid on many stocks do not justify the present prices at which such shares are exchanged.

"It is the speculative feature and the gambling in the stocks of insurance companies, that in my judgment, is very largely responsible for the creation of so many new companies of good sized capital and surplus. We have no objection to this latter group, and since it is generally admitted that in many instances both property and lives are very much under-insured, there should be a field for all.

Would Prohibit Speculative Organizations

"I have in mind, however, one group of men who have organized three separate companies in different parts of the United States with a capital of \$200,000. The reason for this group is difficult to ascertain, since our rather pointed questions are only evasively answered. It is reasonable to assume that as soon as the individual companies are fairly well on their way to progress, that some shrewd stock salesman will succeed in unloading the shares upon the general public to the benefit of the original incorporators, but with no benefit whatever accruing to the policyholders. Such speculative organizations should be prohibited but in that respect the department finds itself more or less helpless since the minimum capital and surplus required in this state for the organization of an insurance company is \$100,000 and \$25,000 respectively.

"It is as absurd to refer to the past experiences of the earnings of insurance investments as a guarantee for the future as it is to guarantee the dividends for the future, owing to the fact that it is generally recognized that interest rates have entered upon a downward trend. Some companies are contemplating an increase in the dividend scale and in taking that action, it behooves them to take into consideration the decreased earning powers. Otherwise they may find it necessary to dip into the surplus beyond the point of safety were they to experience an unusually high mortality or discover that their expense loading had not been adequate."

He told of a recent examination of a company in which it was shown that there had been considerable looseness in the matter of loans and advances to agents with the result that a sum of considerable size which had been accumulating over a period of years was charged off as uncollectible. He said fortunately the company was actuarially sound and capable of carrying out every contractual obligation, though the fact should not be overlooked that had a

saving been effected in these expenditures, policyholders would have profited in their dividends.

Commissioner Freedy said that it is the sincere aim of the Wisconsin department in its supervision and under the authority given it by the statutes to administer the laws fairly and equitably to all interested parties, whether they be the company or the citizens of the state.

He said that the department has recently prepared a card to be filled in by the company whenever there is an agency change, giving all the information, as to reasons for discontinuance, whether they be agency balances or practices of the agent, and by this method the department hopes to eliminate many undesirable representatives from the business for the protection of the business and of the people, and in the interests of the companies, and to lend whatever assistance it can to elevate the insurance profession to a higher standard to the end that much misunderstanding, misrepresentation and prejudice against insurance interests may be gradually obliterated.

Lapse Situation Discussed

He also took up at some length the question of policy lapses. According to Commissioner Freedy, the first year lapse ratios of companies doing business in Wisconsin vary from 6 to 30 per cent regularly. He said that in discussing with company officials the reason for this very high percentage of lapse, his thought is usually confirmed by the officials that one of two things has taken place—either the insurance was not properly sold, having in mind the needs or requirements of the policyholder, his financial condition, his family situation, his future ability to pay, or what his expected requirement will be at the end of the term for which he has contracted.

"Life insurance contracts differ from most all other forms of contract in that they take into consideration the lifetime of the assured and for that reason the most serious consideration should be given to all of the contingencies that may arise during that lifetime period.

"The other point which I believe contributes materially to the lapse ratio is the one I have referred to previously, the question of volume without giving due consideration to the ability of the policyholder to keep up his contract. The majority of complaints that come to our department are the result of overselling as in the case where a farmer or moderate wage earner has been persuaded into buying a \$10,000 policy, whereas, according to his circumstances, he should never have purchased more than \$2,000.

"I do not mean to infer for a moment that you as agents shall sell \$1,000 or \$2,000 policies as a regular program, but I do urge that you analyze your prospect so thoroughly that when he is once sold he will be sold for a lifetime.

"I can well appreciate that it is not very interesting to follow up a lapse case on the basis of a 5 percent renewal commission for a period of nine years, and that it is far more remunerative to devote your energies to the writing of a new policy at the rate of 60 or 75 percent commission, and I am wondering if the remedy would not lie in the fact that the compensation of agents should be spread over a short term of years as a stimulating influence to conserve the business instead of incurring the economic waste.

"Some plan that will accomplish the purpose I have in mind must be devised in the near future and while I do not wish to be considered in the light of a dispenser of gloom, I am thoroughly convinced that there must be some reformation in the operation of the life insurance business if the companies and the agents are to preclude a general inquiry into the operations of companies, which, if it develops, will have a more far-reaching effect than the famous New York investigation of 1906, as a result of which life insurance laws in this state were amended in certain important features."

THE OLD LINE LIFE INSURANCE COMPANY OF AMERICA

Milwaukee, Wisconsin,

is one of the largest companies of its kind from its beginning ever organized in the United States.

It is operating in the following states: Wisconsin, Illinois, Iowa, Michigan, Minnesota, South Dakota, Oregon, Washington, California, Texas, Oklahoma, Pennsylvania and Ohio.

Drop us a line if unattached

A REAL OPPORTUNITY AT DAYTON, OHIO

Presents itself for a high grade producer and agency builder for the position of Manager. Write fully, in strictest confidence to the Agency Department, The Toledo Travelers Life Insurance Company, Toledo, Ohio.



IF YOU DON'T KNOW,

Look in

THE INSURANCE ALMANAC

\$3.00 per Copy

80 Maiden Lane
New York, N. Y.



Progress!

Twenty-three short years have seen the business of the American National Insurance Company grow from the most modest beginnings to a point where we have now over half a billion dollars of ordinary and industrial life insurance in force.

We have over thirty-one million of assets, and our policyholders enjoy the protection of over four million dollars in surplus security!

To the agents of the American National belongs the chief credit for our progress. Without their loyal and enthusiastic support such growth would have been impossible.

AMERICAN NATIONAL INSURANCE COMPANY

Galveston, Texas

From Coast to Coast, Canada to the Gulf, Cuba and Hawaii



*W. L. MOODY, Jr., President
SHEARN MOODY, Vice-President
W. L. MOODY III, Vice-President
F. B. MARKLE, Vice-President
T. L. CROSS, Vice-President
W. J. SHAW, Secretary*

*Badges
of Service*



*Midland Life
Insurance Company*
Kansas City, Missouri



From *The Heart of America* GREETINGS!

"Come Again!"—our parting words three years ago when the National Life Convention was held in Kansas City.

"Come Again!"—our standing invitation to the National Life Convention.

In sending our greetings and assurance of our hearty support of the National Association of Life Underwriters, we want to reiterate again our invitation to the National Life Convention to come again to Kansas City not years hence but soon.

We want it understood that the latch key is always out—that there is a standing invitation to the life insurance men of America to come as often as they desire and to stay as long as they like in Kansas City.

Business Men's Assurance Company of America

W. J. Grant ~ President

Kansas City Life Insurance Company

J. B. Reynolds ~ President

Midland Life Insurance Company

Daniel Boone ~ President

National Fidelity Life Insurance Company

Ralph H. Rice ~ President

Sentinel Life Insurance Company

Arthur M. Hyde ~ President



for Men who are Looking Ahead

THE PEOPLES LIFE INSURANCE COMPANY

HOME OFFICE - WELLS AND RANDOLPH STS.
CHICAGO

OFFICE OF
THE SECRETARY

To Insurance Men who have
the Vision of a Greater Tomorrow.

The future of every branch of the insurance business
is ahead of it - not behind. The accomplishments of
the past will be dwarfed into insignificance by to-
morrow's achievements.

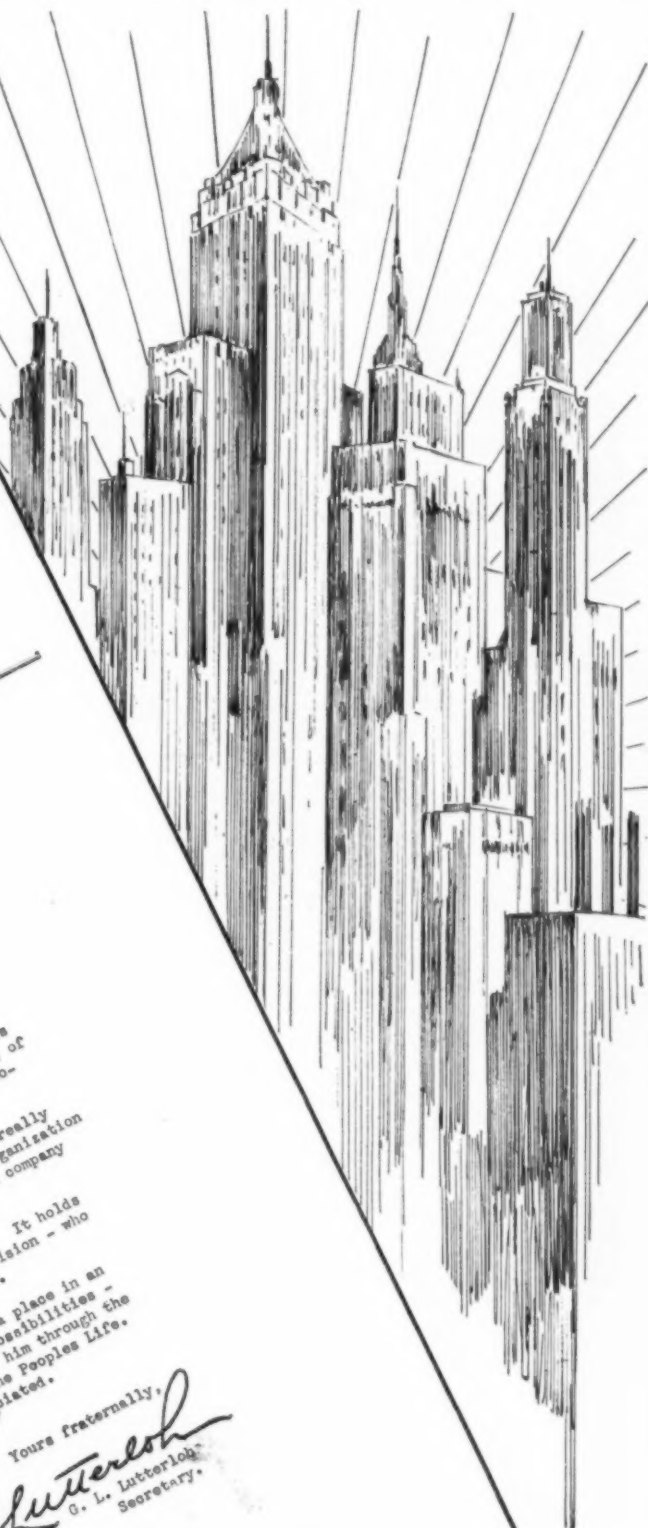
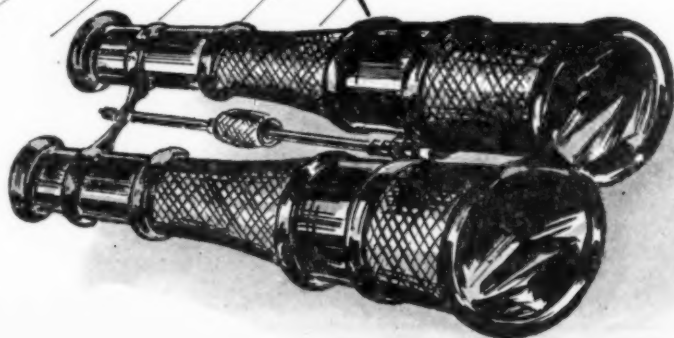
Those who have the vision, who appreciate the really
big things that can be done with the right organization
behind them will recognize the opportunity a company
like the Peoples Life offers.

The Peoples Life has just begun to grow. It holds
out rich rewards to those who have the vision - who
come with it now and build for Tomorrow.

If you know of anyone who is seeking a place in an
industry or business of tremendous possibilities -
with an organization that will help him through the
learning process - direct him to the Peoples Life.
Your good turn will be much appreciated.

Yours fraternally,

G. L. Lutterloh
G. L. Lutterloh
Secretary



(No. 5 of a Series)

It's All Greek To Me!

—00—

THE PROSPECT HAS A TOUGH TIME UNDERSTANDING SALESMEN WHO TRY TO EXPLAIN A FLEXIBLE, MODERN LIFE INSURANCE CONTRACT EMBODYING A NUMBER OF ALTERNATIVE OPTIONS AND BENEFITS. SMALL WONDER THE LAYMAN BECOMES CONFUSED OVER A WEARISOME VERBAL RECITATION THAT IS UNAIDED BY AN ILLUMINATING "PICTURE."

*American Central Representatives
Use the "Personal Proposal"
and are Understood*

IT IS A VISUALIZATION OF THE POLICY AND ITS MAJOR FUNCTIONS AS THEY MAY BE EXERCISED BY THE HOLDER. CONCISE, PLEASING TO THE EYE, STRIKING IN ITS SIMPLICITY, IT ASSURES THOSE MOST VITAL REQUISITES TO A SALE—UNDERSTANDING PLUS MEMORY.

—00—

(Just one of the many reasons why American Central representatives are happy and successful.)



"THE FRIENDLY COMPANY"

Getting All the "Breaks"

BECAUSE of being in sympathy with field conditions and knowing the problems of the field man; because of the service and friendship given to field men and policyholders, and because of the soundness of company management, the business of "The Friendly Company" has steadily increased with the years.

If you are interested in a connection which will give you all the "breaks," it will pay you to be friendly with the

PEOPLES LIFE INSURANCE CO.

"The Friendly Company"

FRANKFORT, INDIANA

Opportunities in

Indiana, Illinois, Ohio, Michigan, Tennessee
Arkansas, Iowa, California and Texas

Good Men
want to
work
with us

We Want
Good Men

A GOOD "HOOK UP" FOR "LIVE WIRES"
The Two Million a Month Agency
of
**THE MUTUAL LIFE
INSURANCE CO. of N. Y.**

HERMAN C. HINTZPETER, Manager

Room 866, 208 So. La Salle St. Chicago, Illinois

We Make You
Succeed

Success Makes
You Money

There is a
REASON why
you can earn more money
in the Chicago General
Agency of the

**Northwestern
Mutual Life**
INSURANCE CO.
of Milwaukee

OUR SYSTEM OF
AGENCY PROTECTION

1. Agents are protected against rebaters.
2. Agents are protected against brokers.
3. Agents are protected against "part-time" men.
4. Agents have the advantage of extensive route lists and the services of a competent Statistician free.

Hobart & Oates
General Agents
ROOKERY BUILDING
209 S. La Salle St.



IN CHICAGO there is a big opportunity for the live agent. Here are thousands of prospects. Men are engaged in many professions and business activities. There are big men to be reached. Chicago has men of high position and great resources. Then life insurance work needs agents who can get those of more modest income. There are clerks and wage earners to be insured.

Men operating through the well established and high grade offices represented on this page are succeeding. Others can succeed in a similar manner.

ÆTNA
LIFE INSURANCE CO.
of Hartford

We offer opportunity
to men of vision.

Brokers will find us
especially equipped
to aid them with
their problems.

Non Participating
and Participating
Life Insurance.

Group Life Insurance
Group Disability
Accident and Health.

S. T. WHATLEY
Gen. Agt.
2043 — 230 S. Clark St.
Chicago

STUMES & LOEB
GENERAL AGENTS

THE PENN MUTUAL LIFE INSURANCE CO.

112 WEST ADAMS ST.

CHICAGO, ILL.

He Wrote Her a Series of Beautiful Love Letters....

which came to her every month as long as she lived, after he died. They were the monthly payments of a Lincoln National Life policy.

* * *

There is a man who would like to take out fifty thousand dollars worth of Lincoln Life Insurance but cannot get it now. Two years ago he was in good health and put it off. Now it is too late.

* * *

Some day when you have a little time, visit the poor farm of your county and talk to the sad-eyed, gray-haired old ladies whose husbands once could not see the use of taking out Lincoln National Insurance. Yes, there is plenty of room for more wives in the poor farms of the land.

* * *

He wanted his little boy to go to college when the lad grew up but he felt he couldn't arrange it, couldn't afford it, until he learned of the Lincoln National Juvenile plan, which guarantees college funds even though sickness or death may come to the father.

LINK UP WITH THE LINCOLN



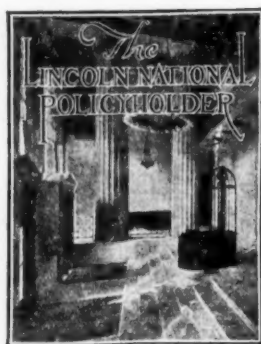
The Lincoln National Life Insurance Company

"Its Name Indicates Its Character"

Lincoln Life Bldg.

Fort Wayne, Indiana

More Than \$550,000,000 in Force



The above is the cover of the L N L Policyholder Magazine from which the paragraphs at the right were taken. The cover pictures the magnificent entrance lobby of The Lincoln National Life building at Fort Wayne.

Nearing the Hundred Million Mark

The past year has been a prosperous one for the

**CONTINENTAL
LIFE INSURANCE CO.**

of St. Louis, Mo.



Assets

\$13,000,000

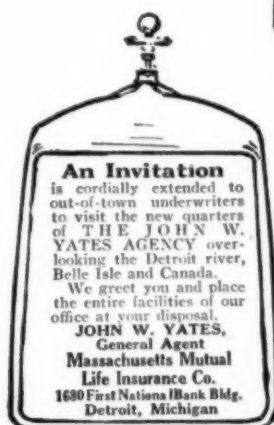
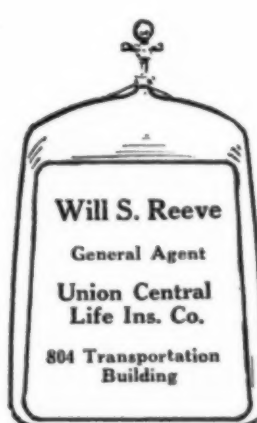
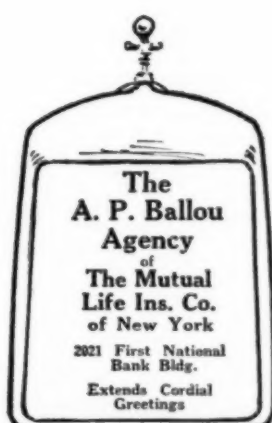
**LIFE—HEALTH and
ACCIDENT—TERM;
A POLICY TO FIT
EVERY NEED**

Open territory for more of the kind of men that are in our organization.

Write for particulars.

**CONTINENTAL
LIFE INSURANCE CO.**

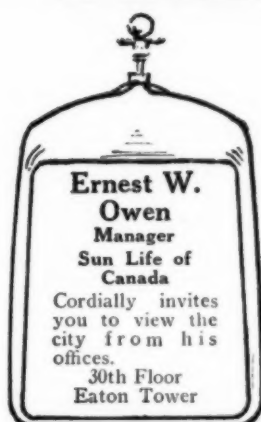
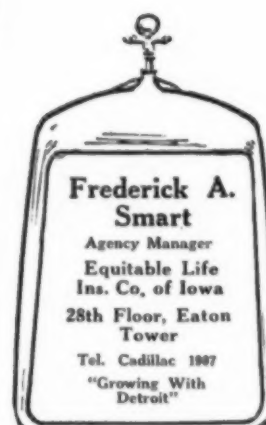
St. Louis, Mo.



Detroit

THE AUTOMOBILE CITY

Is Glad to be Your Host



Be sure to "take in" Detroit while you are here—stay over a day or two and get thoroughly acquainted with Detroit, the Dynamic City.

Here are a few interesting facts about the city, which is playing host to your 29th Annual Convention.

Detroit was so named because of its location on the strait connecting Lake Erie and Lake St. Clair.

Detroit manufactures 75% of all the automobiles made in the world.

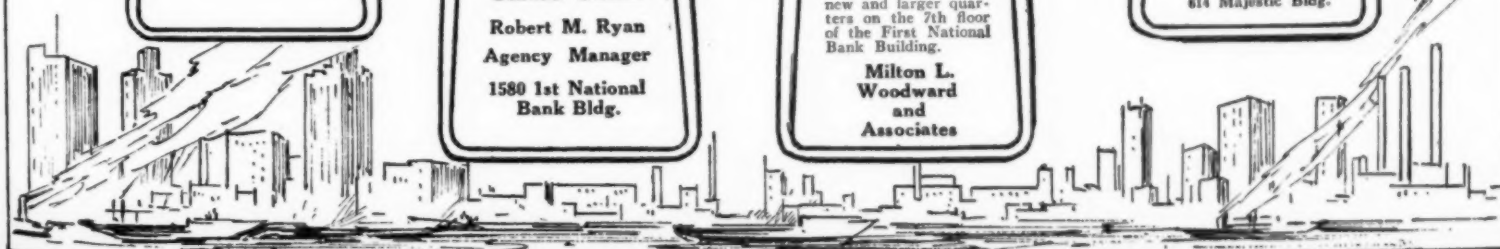
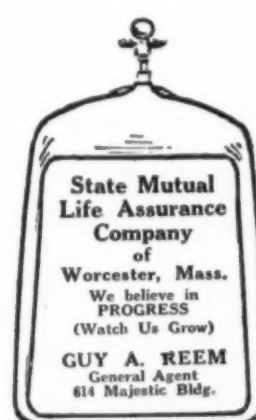
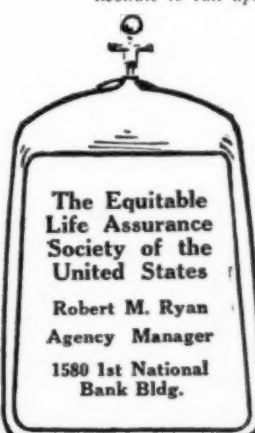
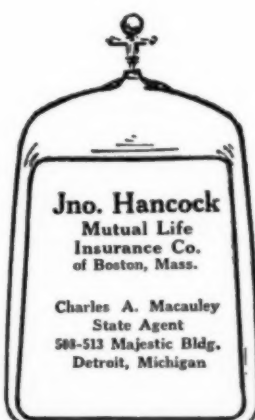
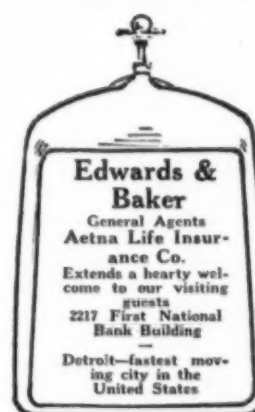
Detroit has made more progress in the last 17 years than it made in all the previous 209 years.

Detroit is the fourth largest city in America—its population is 1,475,744.

Belle Island, an island park of over 700 acres, is one of the most beautiful in the world.

The river at this point is known as the Dardanelles of the New World.

The agencies listed on this page are at your service. If they can aid you in any way to make your stay in Detroit happier and more profitable, do not hesitate to call upon them.



NET INCREASE

The One Proof of the Pudding that Always Counts

Judge not by the Number, but by the Weight.—CICERO

During the past ten years the annual new business of the New England Mutual totalled \$997,613,375 insurance. In the same period the growth of the Company's Insurance in force was from \$375,496,658 to \$1,023,263,402. Hence the net gain was \$647,766,744.

This means that an amount equivalent to 65% (64.93%, to be exact) of the New Insurance remains on the books, notwithstanding terminations from all causes, both avoidable and unavoidable.

*A Record of which any Company might be proud,
and few could surpass*

This gratifying Persistence of Business is due to three related and mutually helpful factors:

1. The quality of the Insurance furnished by the Company—policy contract and administrative practice.
2. The carefully selected and thoroughly trained Agency Force.
3. The character of the Membership,—composed in large part of the highest type of citizens in every community where the Company operates. "A bulwark of Strength for the Institution."

NEW ENGLAND MUTUAL LIFE INSURANCE COMPANY
Boston, Mass.

The Minnesota Mutual Life Insurance Company
of Saint Paul

Thru Its Detroit General Agent
DON M. D. McGRAW

Extend Greetings
to
The National Association of Life Underwriters

A Whole Life Preferred Risk Policy that ranked
4th lowest in net cost of all ordinary life policies in
U. S. and Canada in Best's News, June, 1928.



A Company rated "Excellent" in Best's Reports
with a Variety of Policy forms and a plan of Sales
Assistance that is nationally commented upon.

The National Underwriter

LIFE INSURANCE EDITION

Detroit Convention Is Under Way

WASHINGTON GETS NEXT CONVENTION

NEW METHOD OF MAKING NOMINATIONS ADOPTED

**Provide Two New Vice-Presidents
—Would Safeguard Idea of
Companies' Trusteeship.**

*Convention Headquarters,
Book Cadillac Hotel, Detroit, Sept. 12.*

Washington, D. C., was selected as the meeting place for the 1929 convention of the National Association of Life Underwriters by the executive committee of the National association at its meeting Tuesday afternoon. The invitation on behalf of Washington was presented by E. S. Brashear, general agent in that city for the Union Central Life, who is also attorney for the National association. The invitation was seconded by Leon Triggs, of the Berkshire Life, in Minneapolis, president of the Minneapolis association, who announced at the same time that Minneapolis invited the association to hold its 1930 convention in that city. Washington was the only candidate actively in the field for next year's meeting and was awarded the convention by unanimous vote of the committee.

Time of Convention Is Left to Trustees

The time of holding the meeting was not considered and will be left entirely to the trustees. It was suggested in later discussions of the matter after the conclusion of the committee meeting that it probably would be advisable to select a date somewhat later than that chosen for this year, as the weather in Washington in early September is not always of the most pleasant character.

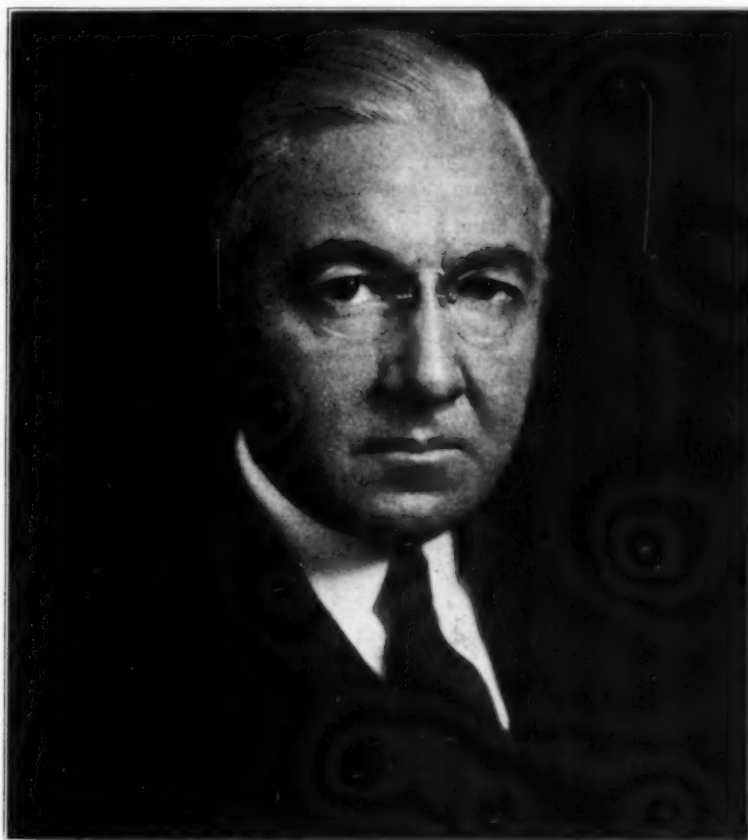
Two important amendments were made to the by-laws of the association. The first makes a change in the plan for the nomination of officers. The advisability of such a change was suggested by President Myrick in his annual report, in order to dispel the idea that a small group of ex-presidents dominates the meetings of the association.

Provide for Advisory Nominating Committee

The resolution which was adopted, presented by Paul F. Clark, of Boston, chairman of the committee on by-laws, provides that an advisory nominating committee of five members be named by the president at the mid-year meeting of the executive committee, the personnel of the committee to be suggested by the president but subject to change by the committee.

Local associations are invited to suggest candidates 60 days in advance of the annual meeting to the chairman of the advisory nominating committee. The committee will consider all of these as to the fitness and availability of the candidates suggested and report its

PRESIDES OVER NATIONAL CONVENTION



JULIAN S. MYRICK, President

recommendations to the nominating committee appointed at the convention.

The resolution aroused an extended discussion, the opposition to the change being led by J. W. Bishop, of Chattanooga, home office general agent of the Volunteer State Life, who declared that the old system had worked satisfactorily and that there was no reason for making a change. Finally, however, the resolution went through without any dissenting votes.

Provision Made for Two New Vice-Presidents

The other change also was in line with a suggestion made by President Myrick, who urged a broadening of the organization and a greater division of the work, suggesting that too few members were entrusted with the work of the national organization and that that fact might account for some of the apparent falling off of interest and the reduction in membership. It adds two new vice-presidents, making six in all. They will be known as vice-president, honorary vice-president, first, second, third and fourth vice-presidents. The president of the Canadian association is to be the honorary vice-president.

Another resolution adopted, which was proposed by E. J. McCormack, of Memphis, Tenn., general agent of the

Minnesota Mutual Life, has for its purpose the safeguarding of the idea of trusteeship on the part of life companies and is regarded as especially timely in view of the recent developments in the affairs of some companies. It proposes to the Association of Life Insurance Presidents, American Life Convention and Insurance Commissioners' Convention the creation of a joint committee composed of representatives of those organizations and of the National Association of Life Underwriters to work to that end.

Membership Situation Topic of Major Interest

Much of the executive committee meeting was devoted to the question of how to build up the membership, in view of the decrease of 492 reported for last year and the fact that the association had barely held even the year before. The point was stressed in the reports of President Myrick, Secretary James Elton Bragg and Managing Director Roger B. Hull, and was also referred to in the report of Treasurer Charles A. Foehl, who gave that as one of the factors in the net deficit of \$5,807.77 shown in his report. He stated that the only department which showed a gain for the past year was the "Life Association"

(Continued on Page 13)

STRONG SPEECHES MARK PROGRAM

MYRICK REVIEWS WORK OF THE PAST YEAR

**Bragg, Huebner, Stout and Wise
are Speakers at After-
noon Session.**

*Convention Headquarters,
Book Cadillac Hotel, Detroit, Sept. 12.*

When the 30th annual convention opened this morning for its first session, a considerable number of seats remained vacant in the auditorium of the Book Cadillac hotel, where the convention sessions are being held. There had been some question as to the capacity of the room to accommodate the meeting, but for the opening session, at any rate, it seemed quite sufficient to care for the crowd.

National Officers and Local Chairmen on Stage

All of the National officers and trustees and most of the Detroit committee chairmen were on the platform, and "Dave" Sprague, the song leader, called on the official contingent to demonstrate their vocal powers, as well as the convention in general. The platform was decorated with the United States and Canadian flags to indicate the international character of the gathering, which was still further emphasized by the dual address of welcome, given by Edwin W. Baker, president of the Detroit association, and President Clements of the Windsor, Ont., association. Mr. Clements extended a cordial invitation to all of the guests to visit Windsor and promised them any assistance that might be needed in connection with any purchases that they might want to make there.

Myrick Reviews Year's Work in His Address

After the invocation by Rev. Father John A. Sullivan of Detroit, President Julian S. Myrick declared the convention opened in a spirit of friendship, comradeship and service. He then introduced the official personnel to the convention.

President Myrick paid tribute to Edward A. Woods and Orville Thorp, and also to Charles H. Raymond, one of the early presidents of the National association, who, he said, was the man who first employed him in life insurance work. He referred to the work of Roger B. Hull, managing director, under the first year of the reorganization plan, and expressed a hope that the deficit shown for this year might be overcome.

He expressed his appreciation of the work done by the California association in handling a difficult situation there. He told of the progress made in connection with the work of the College of Life Underwriters. He referred to the

(Continued on Page 13)

BRAGG OUTLINES CONVENTION WORK

THEME OF PROGRAM TOLD BY CHAIRMAN

Sessions Develop Life Insurance Place in Nation's Activities.

By JAMES ELTON BRAGG
Secretary, National Association

In reviewing our convention program one of our good friends, whose pen graces the pages of a distinguished trade paper, stated that our theme is a "mouthful." Let us test his criticism—which was offered in all kindness—by reading the theme together:

"Leading the public to appreciate the proper place of life insurance in the economy of the home, the protection of business interests, the conservation of the estate, the completion of investment plans, and the welfare of the nation."

In developing this theme we could not arrange our addresses in logical order because, first, we desired to assign to each speaker that particular time which best suited his convenience; second, we had to fit several addresses of varying length into sessions covering certain definite hours, and third, we wished for the purposes of emphasis to vary the tone effect of our program as it progressed through each particular session.

It is our hope, however, that each one of you will carry back to his work in the field and to his activity in his local association, a well-organized outline of the thought content of our program. And to this end I shall now sketch briefly the logical outline which your committee followed in developing the convention theme. Moreover, in order to emphasize the unity of all the parts of our program, I shall come before you again from time to time and fit into this general outline the various addresses as they are delivered.

Suggests Two Leading Questions

Our theme suggests two leading questions:

- 1st. What means shall we employ in leading the public to appreciate the nature and uses of life insurance?
- 2nd. What good results will flow from our success in the employment of these means to this end?

In constructing our program, we have postulated that the public will be led to appreciate the nature and uses of life insurance through the action and interaction of two major forces, first, a corps of trained underwriters who are motivated by the professional ideal, and second, a nation-wide campaign of educational advertising conducted on behalf of the institution of life insurance co-operatively by our companies and by this corps of trained underwriters.

It is our hypothesis that through the action and interaction of these two forces in leading the public to appreciate what life insurance is and does, we shall contribute to the solution of three large problems which are faced today by the institution of life insurance:

First, how can we increase the annual amount of our new business, viewing such an increase both horizontally and vertically—that is, how can we insure more lives and how can we increase the amount of life insurance carried per life?

Second, how can we conserve the life insurance which we already have in force, and how shall we insure in advance the conservation of the new business which we hope to create?

Third, how can we protect the

life insurance which is now in force and which we hope to create against harmful legislation and unwarranted taxation.

Render Large Measure of Service to Nation

We feel that in discussing these problems and the means to their solution, we are not only considering our own selfish interests as individual underwriters, as companies and as an institutional group, but that primarily we are seeking the opportunity to render a larger and larger measure of humanitarian, economic, and sociological service to the nation.

Our first subject, therefore, is "a corps of trained life underwriters who are motivated by the professional ideal." We divide this subject into two main divisions (a) the individual underwriter, and (b) the organized group of underwriters.

We shall consider the individual underwriter from two points of view (1) the underwriter's work and (2) the underwriter himself.

Every person lives in two mutually inclusive worlds, the world of "I do" and the world of "I am." But like the two aspects of individual behavior, the mental and the physical, these two worlds of "I do" and "I am" are interdependent—each one constantly conditioning and modifying the other. "Being" is the thing of first importance—not merely life but living and feeling and thinking. Experience is the next thing—not merely observing or hearing or reading—but "doing." The world of "I do" is a projection into deeds of the world of "I am." On the contrary, the world of "I am" is molded as I go through the years by his failures and achievements in the world of "I do."

In time, my very nature becomes a reflex of what I have done. My acts have left their mark upon my face and their etchings upon my character. And so it is difficult to discuss these two worlds separately in pure form. You will find them intermingled in the development of our theme.

But let us begin with the world of "I do," the world of technic, of adapting means to ends, of objective achievement. We can divide this subject into three parts: (1) professional service to the insured and beneficiary, (2) salesmanship, the marketing of that service, and (3) the executive and administrative phases of the underwriter's work.

Embodies Answers to Four Main Questions

Professional service to your client and his beneficiaries embodies the answers to four main questions:

- (1) Does your client need life insurance?
- (2) If so, how much life insurance does he need?
- (3) Which form of life insurance is best adapted to his needs and to his capacity to pay premiums?
- (4) Of the amount and kind of life insurance which he needs how much can he reasonably expect to carry?
- (5) How can his old policies and his new insurance be coordinated into a unified plan, to the end that his life insurance estate may be safeguarded and its proceeds managed in such a way that it will serve the purposes for which it is needed and intended?

My statement implies that if your client does not need life insurance or cannot pay for it, he is not a prospect for new policies and that you will keep

(Continued on Page 11)

MILLION DOLLAR GROUP ORGANIZES

COMMITTEE IS NAMED TO WORK OUT PLANS

Several Big Producers Tell of Their Methods at Round Table Breakfast.

Permanent organization of the million dollar producers' group is to be effected, a special committee to work out plans being appointed at the "Million Dollar Round Table" Wednesday morning by Paul F. Clark, of Boston, chairman of the meeting. This breakfast round table was the gathering of the clan, qualification for which was paid production of at least \$1,000,000 in the past year, calendar or fiscal. It was the mingling of ideas by the leaders in the field and the get-together of those who have forged to the front ranks in the business. Many familiar faces were present as "repeaters" and many new faces were seen, all agreeing that it would be desirable to have some definite form of organization which will permit them to keep together during the year.

Woman Producer Is First Speaker

President Julian S. Myrick opened the session with a few words of welcome and Paul F. Clark then took charge as chairman, calling on several of the outstanding producers for brief talks on their methods and selling ideas. With deference to the women, Sarah Frances Jones, of Chicago, was the first speaker. She was not a full-fledged member, but "almost" qualified and thus was present as a guest. Miss Jones is one of the stand-bys who has never missed a convention. William Duff, of Pittsburgh, now president of the Edward A. Woods Company of that city, was called on and he said that there is no great difference between million dollar producers and others. It is not a matter of millions. It is a matter of hard work. In speaking of the details of the work, he particularly deplored trick openings and anything other than straightforward life insurance salesmanship.

"Millionaires" Tell of Their Sales Methods.

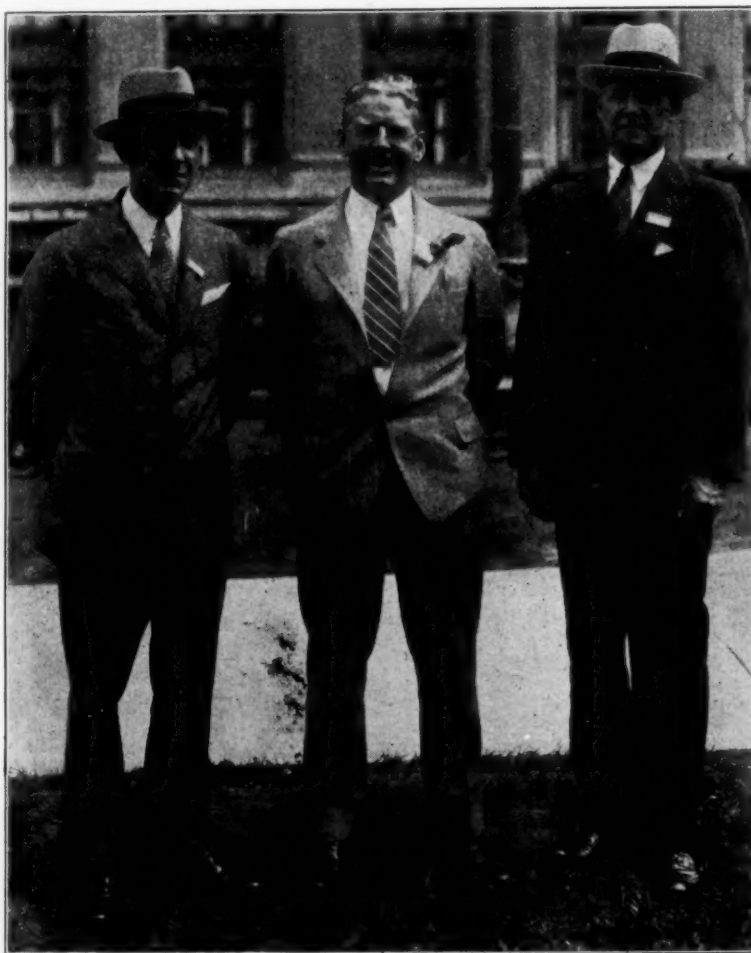
Leo Thomas, of Detroit, formerly one of the outstanding life underwriters and now returning to full activity after a brief occupation in other activities, spoke on sales methods, saying that the basic idea is to prove that one knows life insurance. He said that this develops the most valuable of all advertising, the word-of-mouth type. E. Paul Hutchins, of the home office of the Penn Mutual, and Theodore M. Reible, of the Equitable of New York in New York, both spoke largely of case work, citing examples of their sales. Thomas Scott, of the Penn Mutual at Philadelphia, spoke chiefly on the conservation of time, giving a sample day's work, showing his normal budget of time. This, he believes, is the essential to success in large scale production. John William Clegg, also of the Philadelphia office of the Penn Mutual, and a past president of the association, pointed particularly to the need for talking "big talk" when talking to "big men."

"Jerry" Eubank Is Concluding Speaker

Gerald A. Eubank, general manager of the life department of Johnson & Higgins, who qualified by paying for over \$4,000,000 at the same time that he has developed a huge brokerage office, was the last speaker. He gave the simple rule of finding anyone who

(Continued on Page 12)

HANDLED DETROIT ARRANGEMENTS



(Left to right) Edwin W. Baker, president Detroit association; Ernest W. Owen, general chairman convention committee; Robert M. Ryan, associate general chairman.

Year's Activities Are Recounted

PRESIDENT PRESENTS HIS ANNUAL REPORT

RECOUNTS THE YEAR'S WORK OF ASSOCIATION

Sees Conditions Improving as Result of Co-operation in Field.

By JULIAN S. MYRICK
President of the National Association of Life Underwriters

During the year the association has experienced a great personal loss in the sudden and unexpected deaths of two former presidents—Edward A. Woods of Pittsburgh, and Orville Thorp of Dallas, Texas.

Edward A. Woods' influence on the life insurance business in his day and generation was second to no one's in promoting its effectiveness. His was

position to administer and work out the affairs of the association as originally intended by the trustees than he was a year ago. I look forward with great hope to the work which the association will do under his leadership during the coming year.

The financial obligations of the association for the past year have resulted in a net loss of \$7,857.78, so that it has been found necessary to call on the guarantors for 75 per cent of their guaranty for this year. We believe that with better understanding at headquarters and closer attention on the part of local associations as to the necessity of keeping up their membership, this deficit can be overcome.

Membership Shows Loss

You will hear in other reports the details of the membership, which shows a net loss of 492 members and a gain of 14 member associations. The records show that there was a loss of membership in 120 associations and a gain of membership in 90 associations.

During the year we published a booklet by Everett M. Ensign, assistant managing director, entitled: "What the National Association Has Done and Is Doing for the Local Association and the Life Insurance Fraternity in General." This book if properly read and applied will furnish endless suggestions to officers of local associations and others in official positions as to ways and means and topics for discussion. This, backed by the "Life Association News" and bulletins and the publication department, together with your own executive personnel and elected officers, makes a comprehensive machine for the carrying on of the work of your association. The individual agent and the companies that compose the institution of life insurance and the insuring public need us for their protection. There would be no National association if there were no local associations, and certainly local associations would not have much influence unless they were properly coordinated in the National body.

The by-laws of the National association require a minimum membership of 10 in all associations applying for affiliation. Your president suggests, therefore, the organization of associations in all communities where the minimum membership is possible and where it will serve as a nucleus for further development. Local associations are not entirely intended as organizations of self-protection for the life underwriters of America, for every association should assume its responsibility in serving the interests of the insuring public. The more life insurance that is written, the more life insurance there is to be written. Cultivation does not in this sense spell ruinous competition with a constantly weakening market, for much to the contrary, business creates business.

Necessity for More Local Associations Is Emphasized

Bearing this in mind, may I not again emphasize the necessity of having local associations take their proper places with other civic, professional and business organizations for the betterment of the community in which the members "live and move and have their being."

The board of trustees has decided to abandon the idea of having assistants to the president because few functioned properly. It has been thought best instead to assign territory to each officer and trustee, for which they will be responsible, and to keep in contact with each local association through the executive committeeman of each association. We believe this idea of organiza-

tion will place greater responsibility on all of your elective officers and that it will give them definite spheres of influence to work upon, as it will bring into your governing committee a better knowledge of conditions and requirements in the various sections and give them a better basis for making decisions. It will also give us an opportunity to judge the ability of each officer and trustee by the accomplishment and progress made in the section over which he presides. I believe this plan is subject to further development and will serve to strengthen both local and National associations.

The spirit of friendship and cooperation by all of the kindred bodies has been splendid and I wish to record my appreciation for the work which they are all doing for the advancement of the business.

I wish it could have been the privilege of every underwriter to have attended the annual meeting of the Association of Life Insurance Presidents. Attendance at this meeting would have given them greater confidence in their business and made them better salesmen. Your president was, as usual, invited to represent you and was cordially received.

Association Work Results in Closer Cooperation

Much definite progress was made during the past year in bringing about better understanding and cooperation between the life underwriters and the trust companies, banks and life insurance companies themselves.

The life insurance business owes a debt of gratitude for the great amount of advertising and publicity given by the banks and trust companies in all sections of the country, and if the basis of cooperation which has been approved and published is followed out in good faith, there should be no cause for future trouble or misunderstanding.

Your president was invited to address the trust company division of the American Bankers association in February, where he presented the life underwriters' point of view. The committee of your association which has to do with the cooperation of banks and trust companies, of which Mr. Franklin W. Ganse is chairman, met with a similar committee of their association. As a result of this conference, resolutions on cooperation were prepared and adopted by the executive committee of each association, establishing a broad working basis.

We would point out the work which is being done by the various local associations in making the resolutions effective, such as the work done by the associations in Detroit, Philadelphia, Washington, Buffalo, Rochester, Newark, Boston, Cleveland, New York and of many other places. We would recommend that every association take steps to work out closer cooperation with the banks and trust companies in their respective communities.

California Underwriters Handle Bad Situation Well

I would like to take this occasion to express my appreciation and gratitude to the local underwriters associations in California for the intelligent leadership they exercised in handling the situation which developed in that state last winter.

As a result of this leadership they have organized a strong state association. The companies have almost unanimously backed them up, valuable aid being rendered by Mr. Hull. Straight thinking and common sense by every one concerned on this occasion helped

save what looked to be a dangerous situation.

The American College of Life Underwriters is no longer a brilliant dream in the minds of a small but progressive group of association leaders. Indeed, the first examinations were recently held, with results that assure its constantly increasing sphere of professional development. While the institution was born within the ranks of the association, its officers, or at least many of them, being staunch association members, the College now stands upon its own feet. And while the association will always feel pride in sponsoring the movement, in order to permit it to have a wider field of influence and to give it the independence of a scholastic entity, the College and the association are now related only by the bonds of sympathetic objectives and aspirations. In years to come the College is destined to be one of the most important and influential factors of the life insurance fraternity.

We wish to recognize the valuable services rendered to the life insurance business by the various insurance journals, and it is pleasing to note that with



CHESTER O. FISCHER, St. Louis
Vice-President National Association

a restless and progressive mind that worked endlessly for the cause in which he was enlisted, and he contributed un- sparingly of his time and mentality not only toward the promotion of his own agency and company but toward the promotion of the institution we all serve. There is no honor which we could render to his memory which would be too large; his place will be impossible to fill.

Orville Thorp was one of the stalwarts who gave long and devoted service to your association. Like the other ex-presidents who have been privileged to serve you, he kept your association on the high plane upon which it has always been maintained.

Roger B. Hull Has Busy Initial Year

This is the first year that the re-organized executive office has functioned with Roger B. Hull as managing director and general counsel. Mr. Hull has traveled over 30,000 miles, appeared before approximately half of the local associations and made about 150 speeches, one of the latter being at the invitation of the American Life Convention. He has thus become acquainted with the members over the country and after making several extensive trips he has obtained a better grasp of the details of the office. Consequently he is now more nearly in a



PAUL F. CLARK, Boston
John Hancock Mutual Life

the progress of the years they become more and more constructive and effective in building up the morale of the business and are, therefore, making a distinct contribution to our progress and development.

Insurance Journals Give Valuable Aid.

Last year we were successful in having the Comptroller of Currency change a long existing ruling as to the rights of national banks to insure the lives of their officers or other employees where an insurable interest exists. The new ruling, our attorney's brief and further opinions have all been published in the "News." This is a definite accomplishment and should result in giving the banks added security by enabling them to protect themselves properly against the loss of the brains and energy of their most valuable personal assets.

Your president has been honored by being appointed to the insurance advisory committee of the United States Chamber of Commerce and cannot emphasize too strongly the fine work which the Chamber is doing directly and through its local chapters and different trade associations, of which your association is one. I want again to urge the closest cooperation on the part of each local association with the local

chambers of commerce and would quote the recommendations which I made to the local associations in the June issue of the "News":

Wrong to Lapse Insurance Contract

1. "Call to the attention of the business men of your community the fact that it does not pay to give up insurance once established in a sound company. It pays no one to pay the acquisition cost twice for the same protection; and by having the insured keep their insurance in force for a longer number of years you will be contributing materially toward reducing the cost of insurance."

2. "The question of conservation of health should be urged through every

reads: "Is any ordinary or industrial insurance in this or any other company to be discontinued if policy now applied for is issued? Give full particulars."

The agent has accepted a responsibility of service to the insured when he receives his first year's commission and the insured should never be called upon to pay another acquisition cost for the same amount of insurance in the same or any other company. If agents, local associations, companies and insurance commissioners will do their full share toward reducing this evil practice, the business will be properly conserved and the cost of insurance greatly reduced.

Agents Asked to Defend One Another's Sales

Every agent should, to the very largest possible extent, defend the sales of every other agent and so build up in the insured's mind a sense of security in the institution of life insurance. He should make a new sale in this way and apply the existing insurance to any change in needs which may have occurred since the original sale was made.

The question of conservation of health is well handled by most companies, but the agents can be of great assistance in urging examinations upon their clients at least once a year. This will mean that the agents will get increased insurance in about 30 per cent of the policyholders so examined, and it will also help to reduce both mortality and the cost of insurance.

A vast amount of work can be done by local life underwriters' associations in the matter of taxation. In 1926, policyholders were taxed approximately \$76,494,067 more than it cost to maintain all of the insurance departments in the various states, and this amount did not include the taxes levied by the federal government. State insurance departments should primarily be considered a service organization rather than a means of revenue and double taxation. Cooperation with your local chamber of commerce will help correct this situation.

Recommends Formation of State Associations

I recommend very strongly the formation of state associations so that you may have an organization to give organized expression of proposed and existing legislation in your respective states. There are many state associations already organized which have rendered and are rendering great service for the protection of the business and the insuring public against unwise and unnecessary laws. Such associations exert a restraining influence on excessive taxation.

I would refer you to the able speech made by Clarence C. Wyson, insurance commissioner of Indiana, entitled: "Insurance and the State," made before the United States Chamber of Commerce and published in full in the June number of the "News," as a basis for your cooperation with your insurance commissioner. Your commissioner is sometimes chosen because he is a politician and not because he has the proper knowledge, training, experience and background properly to enable him to deal intelligently with the problems that must come before him as commissioner. The influence of the state association, properly expressed, would help in getting appointed a better type of public official. However, it is gratifying to record that, in general, the commissioners have been wisely chosen and have rendered conspicuously valuable services in protecting the interests of all concerned.

With further regard to legislation, I would quote an interesting editorial which appeared in the "New York Sun," of Aug. 14. It states:

"In 1870 the first insurance act was passed in England. No new legislation was enacted until 1909—a period of 40 years. From 1909 until 1928 it was not

found necessary to make any change in insurance legislation, says the United States Fidelity & Guaranty. The Association of Life Insurance Presidents reports that in the United States 124 new laws affecting life insurance were enacted in 1927. These new laws are contained in a volume consisting of 542 pages. As to fire, casualty and surety lines, we don't like to think of the task of compiling all 1927 amendments, laws and the like in the United States. It would strain any adding machine.

"Tinker Statesmanship" Harmful to Business

"This is a succinct exhibition of the passion for statute tinkering which consumes the legislators of the United States. It is ridiculous to suppose that, granted the existence of an intelligently prepared life insurance code, amendments in any great number should be necessary to adjust it to the changing requirements; this obvious fact is confirmed by the record of Great Britain. Probably most of the 1927 tinkering was defended on the ground that it was inspired by desire to correct errors put into the codes by tinkers who operated yesterday, and its fruit will inspire tinkers tomorrow. That is the way tinker statesmanship always works."

Your executive committee at its mid-year meeting adopted a resolution approving the action of the New York state association in opposing the proposed legislation with regard to Section 97 and the correlated sections having to do with the limitation of expenses for securing business and also dealing with the limitation of the amount of new business that may be written in any one year—the so-called Armstrong Laws which became effective in 1907.

As 80 per cent of the business done in this country is written by companies controlled by these laws, irrespective of whether the business is written in New York state or some other state, therefore every agent, general agent and manager is subject to their provision and may be affected by any change. Any change would, therefore, have a far-reaching effect on the entire business.

New York State Body Opposes Statute Changes

The New York state association has maintained and still maintains after several hearings and conferences with the New York insurance department and the special committee of actuaries:

"That the principles laid down by the Armstrong committee have served the insuring public well and have enabled the institution of life insurance to take its place in the economic development of this country; that the companies, as a whole, are wisely and economically managed; and that the agency branch of the business is rendering its full share in the production of the necessary amount of new business to keep the institution alive and active. The conditions of cooperation and understanding which exist among the field forces, not only in New York state but throughout the country, are improving year by year and this has been brought about largely by an understanding of the law and the rules and regulations which have been laid down concerning it.

"There appears to us to be no necessity for a fundamental change in the law and we do not believe that the change which has been proposed would work out as anticipated. We see no reason for changing a law which has stood the test of time, has worked out satisfactorily for twenty-one years, for another law that would have to receive the judicial interpretations of the courts, the written constructions of the attorney-general and the administrative attention of the insurance department. It would tend to cause endless confusion and would serve no good purpose when there is nothing, fundamentally, to be corrected."

I would recommend that the proposed legislation be studied very carefully by

everyone concerned, with the point of view always in mind that any legislation should improve the structure of the business.

Progress in Institutional Advertising Is Reported

It seems to me that some progress has been made during the past year toward bringing about institutional advertising. Great progress has been made in Canada. Much cooperative advertising has been done by various local associations also. A special committee of the Life Agency Officers has been studying the situation and I venture to predict that before many years the companies will see the necessity of institutional advertising, not so much to increase the sale of new business but to give the insuring public a better conception of the idea and background of the institution of life insurance. A committee of your association has been cooperating with the Life Agency Officers to the fullest extent and we would urge the officers and members of the local associations to support this progressive movement.

There are so many angles to the business which—if only the public were better informed and had a better knowledge and understanding of them—would work out for the improvement of our entire organization. A large volume of new business would automatically follow the education of the public in life insurance, but this latter consideration should certainly not be the prime reason for institutional advertising. It is my belief that when institutional advertising has finally been gone into the wonder will be, after a reasonable length of time and experience with it, that it had not been resorted to sooner.

Agents Have Grave Responsibility

It seems to me that the life underwriters of the country have a great public obligation, as well as a great responsibility to perform, in representing the institution of life insurance. This institution is one of the greatest fiduciary trusts in the world, its assets being invested in all of the fundamental activities for the safeguarding and development of the country, such as: Loans on bonds and mortgages, railroad securities, public utilities, government securities, municipal securities, and these investments protect the home, the business and our old age. Ours is a most conservative business and should always be so treated by all connected with it.

I want to take this occasion to express my appreciation of the work which Mr. Bragg and the program committee have done upon the program of the convention, and my approval of the theme and the thought which it enunciates. I hope that its influence will fulfill Mr. Bragg's desires and will give you an increased incentive in pursuing your daily work. The theme of the convention embodies one of the larger purposes of the National association, namely, the accomplishment of its part in leading the public to appreciate more fully the nature and use of life insurance.

I would also like to take this occasion to thank all the people who have kindly consented to appear on the program and give of their time, thought and experience in helping us to formulate more clearly the principles of our business.

I want to record our appreciation of the kind hospitality which has been extended to us by the city of Detroit and of the work which the Detroit association has done in preparing for the convention through its well organized subcommittees. It has been a privilege to work and cooperate with them.

It has been a pleasure and an honor to have served you during the past year and I only hope that I may have helped to make some progress and to have done some good for the benefit of our great institution.



WILLIAM M. FUREY, Pittsburgh Chairman Executive Committee

channel possible. Emphasize the advisability of having policyholders take advantage of the examination privileges extended by those companies which offer such a service or, in any event, impress upon everyone carrying insurance the desirability of being examined at least once, if not twice a year.

3. "Make sure that any additional taxes on life insurance premiums are a matter of the utmost necessity and are not imposed for revenue purposes."

Twisting Is Seen As Growing Evil

Twisting is a growing evil, and as the amount of insurance in force increases in amount and age the temptation on the part of agents, councillors, life insurance experts (representing no company but the public) becomes very great. The local associations can control this condition to a certain extent, but unless they are backed up by the companies themselves and by the insurance commissioners, the insuring public is not properly protected.

Your president most enthusiastically commends the action of those companies which have incorporated in their application forms a question in substance similar to that which appears on the application of one of the large companies domiciled in the east, which

Economic Analysis for Agents

FAILURE TO BUY IS COSTLY—HUEBNER

DECLARES LIFE VALUES ARE EASY TO COMPUTE

Field Man Real Underwriter—His Great Need Is More Knowledge.

By S. S. HUEBNER
Professor of Insurance, University of
Pennsylvania

The mission of life insurance is not limited to the projection of the money worth of the human life value into the future, following the insured's economic death. Life insurance is also designed to make the working life value of the insured greater in a monetary sense than otherwise would be the case, and to bring about the realization of that for which we (the policyholders) real-

turely. Let us visualize the fact that today not one family head out of 10 has a reasonable estate at that retirement age. Bear in mind the concept that it is best for the present generation to provide adequately for old age support and not to blast the normal opportunities of children by compelling them to assume the heavy burden of parental financial support. Also remember that the human life value of the insured, by way of thrift, investment, and disability protection, needs to be projected into the future, for the benefit of his family while he is yet alive, just as much as it needs to be projected into the future when he is no longer here. Viewing things from this two-fold standpoint, life insurance is a living creative force at all times—to the policyholder and his family while he lives, and to his dependents upon his death. It is wrong to regard life insurance only as something tangible 20, 30 or 40 years in the future, as a thing that goes into action only when the insured ceases action because of death. Instead, life insurance is a proposition of immediate value to the policyholder, of creative force from the time the contract is consummated. In fact, so important are the benefits of life insurance to the policyholder's progress and happiness that we may well state the proposition for him as follows: The cost of life insurance is less than the cost of being uninsured.

Represents Two-Fold Financial Account

Exclusive of pure term insurance, the so-called life insurance policy represents a two-fold financial account—an increasing sinking fund (savings and investment fund) on the one side, and a correspondingly decreasing term insurance account on the other side. As the sinking fund accumulates gradually to the assigned goal of 100 per cent, the term insurance correspondingly declines to zero. Both sides of the account are "protective" in nature, and both sides are vital if "life insurance protection" is to be complete. The decreasing term insurance is, in the last analysis, time insurance, and protects against the insured's inability to hang on to the most priceless possession he has, namely, his time. The sinking fund side, on the other hand, protects against the insured's natural weaknesses, while he lives and works, in the field of thrift and investment, against his natural inability to hang on to his surplus income and his investments. It protects against the financial shortcomings during life, while the decreasing term insurance account protects against the financial shortcomings following death.

Cost Is Divided Into Three Parts

The cost of the so-called life insurance policy consists of three parts. One goes to pay for the decreasing term insurance account. Another part represents the periodic deposits to the sinking fund, savings fund or investment fund, whichever we choose to call it. And the third part, a small part relatively, goes to pay for the underwriting and the management of both of the other accounts, and clearly life insurance underwriters and insurance companies are entitled to a compensation for this service just as truly as are banks, trust companies, or any other institution that is necessary to the community.

Let us analyze these costs and see if it is not true that the cost of remaining uninsured is really greater than the cost of being insured. In our property affairs we are always careful

to insure against the hazards of fire and marine disaster. Fire and marine insurance are taken as a matter of course. Property owners are not inclined to hope. They want security of mind—freedom from the curse of worry and fear. They have no desire to dampen their initiative and to gamble with chance. Why not have the same healthy state of mind with respect to the monetary worth of the human life and protect it with term insurance, just as we protect our buildings, ships and goods with term insurance? The death hazard is easily one hundred times as serious as the fire hazard. Only about one building out of 200, we are told, ever catches fire seriously, while about one out of every three lives dies during the working period. The average fire loss in our large cities does not exceed 10 to 15 per cent of the property value involved in the fire, whereas death always strikes a 100 per cent blow as regards the money worth of the life involved. Why not also insure our property estates (already accumulated) against shrinkage through last illness expenses, costs of the funeral, settlement of estate costs, post-mortem taxes, and, where the estate consists primarily of a business involving property, against the loss of the life that makes the business successful and therefore valuable to the estate? For the average estate the first four factors alone—last illness and funeral expenses, settlement costs and post-mortem taxes—represent a shrinkage of about 23 per cent, and solely because the owner happened to die. In the field of property, the owner would promptly decide that the cost of being uninsured is much greater than the cost of being insured. So property is almost always insured. Why not take the same view of the cost of the decreasing term insurance account in life insurance? Owing to the much greater hazard involved, the owner of a life value should have his common sense outweigh his hope.

Lives Can Be Valued in Money Terms

On previous occasions I have explained how owners of property apply the principles of appraisal, capitalization, depreciation, sinking and emergency funds, and commercial credit, as a matter of course; that all of these principles should also be employed for the proper management of the money worth of life itself; and that this may be done easily through life insurance and trained life underwriters. Life insurance simply represents the application of all of these principles to the human value, just as we have been using them for many years in our property affairs. But what is important to bear in mind is that property owners spend a great deal of money to bring orderliness and scientific treatment to their property possessions. These costs are paid rather than not paid. Systematic treatment of our property is regarded as essential. The same view should prevail in the field of life values, which, in the absence of life insurance, are honey-combed with intangibilities and uncertainties. The very purpose of life insurance is to apply all those things for which property owners so gladly pay. Its mission is to give scientific treatment to the life value, and to change the intangible and indefinite elements into tangible and definite propositions. It also means security, peace of mind and greater productivity, just as was noted in connection with man's conduct in his property affairs. With reference to the life value the cost of having business principles applied through life insurance should also be regarded as much less than the

cost of not having them by remaining uninsured.

Would Create Estate Out of Current Surplus

Normally ambitious persons desire to create a decent estate out of current surplus. Life insurance stands ready to help do just that thing for us by way of semi-compulsory thrift and wise investment. Life insurance is a great thrift promoter, and an ideal investment, one that embodies every attribute of a perfect investment—safety of principal, certainty and reasonableness of income, stability of value, ideal spread of risk, avoidance of the dangers of individual selection, avoidance of managerial care, convertibility into cash, suitability for quick borrowing, convenience of the installment method of purchase, and cancellation of all unpaid installments in the event of the purchaser's death or physical disability. Probably not more than a third of the \$13,000,000,000 of life insurance assets today would be in existence were it not for the creative aspects of life insurance. The purpose of life insurance is to put the policyholder ahead of



DR. S. S. HUEBNER, Philadelphia
Dean American College of Life
Underwriters

live economically, more certainly, more conveniently, and under conditions of greater happiness. The insured is a beneficiary under life insurance, and while he lives, just as much as are the so-called named beneficiaries. He is "protected" during the working years against his natural weaknesses in the fields of thrift, investment, and the scientific arrangement of his economic affairs, just as much as the named beneficiaries are protected against his inability to stay on earth as long as he would like.

We constantly speak about "life insurance protection," but seem unwilling to define the term correctly. Life insurance protection does not mean protection of the named beneficiaries only, and only after death of the insured has dissolved the family partnership. This view is only one side of the picture. Equally important, and considerably brighter to behold, is the other side, which pictures life insurance as protecting the insured while he lives and works, in the one great economic ambition of man, namely, the accumulation and maintenance of a decent estate out of current surplus.

Let us not forget that about two out of every three who enter the working period at 25 live to the retirement age of 65, whereas only one dies prema-



CHARLES A. FOEHL, New York
Treasurer National Association

what would otherwise be the case. It protects the insured against his own personal weaknesses in the field of finance and the overwhelming number are made wrong financially. The entire cost of the sinking fund account is maintained and grows at a fair rate of return. But to this investment account must be added the gain derived from the semi-compulsory making of a deposit, which for most of us would not otherwise be earned and delivered. From this standpoint the cost of the sinking fund portion of life insurance is far less than the cost of never entering into such an arrangement.

Interest in Prevention of Death Is Increasing

Prevention of loss is a prime activity in the field of property. Prevention of loss is becoming the major activity of property insurance companies, whereas the payment of claims is more and more a secondary function. Life insurance companies owe the same responsibility in the field of human life values through periodic medical examination of their policyholders. Some are already rendering invaluable service in this respect. Within another 20 years nearly all companies will be serving in this cause. If life insurance can keep one alive an additional seven or eight years, on the average, I cannot

help but feel that that service makes life insurance really worth while. The life insurance companies will soon all reason with the insured as follows: Please come to us. Let us examine you periodically. It won't hurt you and it won't cost you anything. In fact, it will pay you greatly in the long run. So please come and have this thing done. We want to keep you alive to age 85. We want you to accumulate your own sinking fund. We hope you will have many years after age 65 to enjoy the fruits of your sacrifice. Please come. We do not care particularly to pay losses on the decreasing term insurance account, and if you will help us to reduce claims on that account, we can, in turn, reduce the cost of term insurance in the future. Now that reasoning



C. C. DAY, Oklahoma City
First Vice-President National
Association

is good common sense. It is real logic. It is beneficial to everybody—to the company, still more to the insured, yet still more to the family, and also to society. Here again the cost of insurance proves less than the cost of being without insurance.

Again, with reference to our property possessions, we are nearly always anxious to make a last will and testament, and often, in connection therewith, to use a carefully prepared trust arrangement. A very considerable expense is willingly incurred to give security and peace of mind with respect to these technical and all-important matters. But why should not the possessor of a valuable life be equally anxious to make a last will and testament with reference to that value and, likewise, to safeguard the same against needless loss or waste through a well arranged life insurance trust agreement? And why, if he is so willing to incur expense in these matters with reference to his property values, should he not equally be anxious to incur the cost with respect to the same matters when applied to his life value?

Life Insurance Services Creative

All of the services just enumerated are creative in character. They relate directly to the mental and economic

well-being of the policyholder himself. They add to his comfort and happiness, and increase his economic resources. Collectively, they are so important as to warrant the conclusion that the cost of remaining uninsured is greater than the cost of being insured.

Originally the term "underwriting" meant the assumption of risk and the signing (underwriting) of the document that defined the risk and stipulated the conditions under which it was assumed. The underwriter, in brief, was the risk taker. So today many assert that the term "underwriter" is wrongfully used when applied to the field representatives of the insuring company. That view, however, is clearly untenable in my opinion. As time elapsed, insurance became more and more scientific mathematically, and the element of real risk taking smaller and smaller, until with many, if not most, of our companies, it is almost negligible for all practical purposes. The element of risk, as we were in the habit of conceiving it, is almost gone. But there always will remain one great risk—the uncertainty of having the insurance protection properly written to fit the needs and the advantage of the individual. This is today the great risk in life insurance, and the understanding and proper handling of that risk, and its reduction to contract form, is essentially the work of the man in the field. The risk of life insurance today is the risk in the field.

Man in Field Is Real Underwriter

You call yourselves "life underwriters," and rightly so. You are the real "underwriters" today if that word is to have any significance. Life underwriting means that you, as the underwriters, make life insurance do for the particular client, by way of the elimination of risk along many lines, those things which it is supposed to do. The term has come to mean service, based on knowledge and honesty. You are in the calling of underwriting human life values so that the intangible and indefinite things in life, owing to our personal weaknesses as well as the uncertainty of life, may be made tangible and definite.

The correctness of this view of underwriting must be apparent. If life values are to be appraised for family and business purposes to determine the amount of insurance, then it follows that underwriters should be acquainted expertly with all the many variable factors that determine such values under different circumstances.

If the life insurance policy is a callable sinking fund bond issued against the money value of life, just as business concerns issue such bonds against the money value of their material assets, then it is the function of efficient underwriting to fit the terms of that life bond to the varying needs of the individual, just as the private banker fits the terms of the property bond to the needs of the individual corporation.

Agent Needs Knowledge of Economic Principles

If life insurance represents the application of the principles of depreciation, of sinking and emergency funds, and of indemnity against the loss of current earning capacity as well as the shrinkage of existing estates, it follows that the underwriter needs to have a full understanding of these economic principles as now purchased in the field of business, so that he may convey the same ideas to his clients and apply them properly to their special needs.

And if life insurance should serve to make the life value asset available as collateral for loans, then it is self-evident that, to the degree that the underwriter is thoroughly conversant with the principles and practices of commercial credit and banking, he will be enabled to meet his clients on a basis of mental equality, thus increasing his

power of salesmanship and his ability to serve by way of advice.

The relations of life insurance to thrift and investment are imperfectly understood both by the public and the average underwriter. Many erroneous comparisons are constantly made between life insurance and other types of thrift and investment. Here, again, the underwriter cannot do better for himself and those he is to serve than to familiarize himself thoroughly with the subject of investments. He now misses many an opportunity simply because of his unfamiliarity with the unexcelled quality of the investment character and worth of his own product.

Ability to Serve Is Measure of Agent's Worth

If the life insurance policy is a last will and testament with respect to the money worth of the insured's life, to which annuity and trust company arrangements may be attached, it follows that the more the underwriter knows about wills, annuity plans, trust arrangements, and the management of estates, the better qualified he is to serve dependably in such an intricate and all-important matter.

To an ever-increasing degree we expect professional men to render community service. The life underwriter should be no exception. His opportunity is too great, and incidentally too profitable, to neglect such service. We are more and more appreciating the vital relations of life insurance to the solution of the problems associated with poverty and organized philanthropy. In ever so many ways life insurance is distinctly sociological in nature. Life underwriters should therefore seek to acquire a fair acquaintance with the problems and principles of sociology. From a community standpoint, life underwriters should also not fail to do their share in spreading the beneficent idea of life conservation far and wide among their clientele.

Irrespective of many instances to the contrary, life underwriting is a profession from every point of view. A very general violation of the professional concept, supposedly but incorrectly in the interest of volume, can in no wise alter the truth concerning the matter. Irrespective of the thoughtless or careless way in which some companies may select their underwriting representatives in the field, the truth remains that the work of underwriting is a service of high order and ought to be conducted professionally.

Underwriting Is Not Synonymous With Selling

Viewing all of the services referred to in this address, it must be clear that life underwriting does not consist of the thoughtless or, possibly high pressure, selling of a policy for the sake of a commission to the seller or in the interest of more volume for the company. Underwriting must never be construed as synonymous with mere selling. There is a world of difference between the mere selling of a policy, and the thoughtful arrangement of insurance on the basis of knowledge. Professional life underwriting always involves writing "the" policy (and not merely a policy) in the light of all the family and business needs and circumstances of the client. Whenever negotiating a life insurance contract, and always assuming that he has equipped himself for his calling through proper study, the underwriter should ask himself this question: Have I, in the light of all the economic circumstances surrounding my client which I have made every conscientious effort to ascertain and understand, given him that contract which, had I been in the same circumstances, I would have given to myself? If that question can be answered "yes," and if the service is based on real knowledge that makes it valuable economically, the underwriter has been acting pro-

fessionally. In fact, that is the Golden Rule of all professions. As I have stated elsewhere:

Meet All Requirements of Professional Concept

"If practiced as it should be, life underwriting meets all the requirements of the professional concept. As a calling it is so fundamentally useful to society and so inherently noble in its purpose as to inspire sufficient enthusiasm on the part of the practitioner to make it his full-time life's work. It also involves a deep science and in its practice an expert knowledge of that science. Life underwriters can be of inestimable service to clients, by way of counsel and guardianship, if they have properly equipped themselves



BEN F. SHAPIRO, Oakland, Cal.
Equitable Life of New York

through study and experience. All of the numerous services of life insurance are protective in character in the sense that we are enabled to treat our life values scientifically and thus convert the most intangible and indefinite elements in our economic affairs into tangible and certain propositions. Life underwriting is a vocation requiring the proper application of ideas. The underwriter needs to be well informed if he is to be worthy of the institution that he represents. The life underwriter is essentially a teacher of ideas and, like other teachers, should know thoroughly the subject matter that he presumes to impart to others."

Professional Spirit Should Be Study Guide

The services of life insurance, especially when viewed in their relation to the professional nature of underwriting, clearly indicate the subjects of study that the underwriter needs to pursue. They are the subjects now required by the American College of Life Underwriters for the degree of chartered life underwriter. As is the case with other leading business callings that aspire to a scientific status, such as accounting and banking, experience has shown that proficiency requires of the practitioner, in addition to an understanding of the principles and practices of the special

Prevision Makes for Provision

subject itself, a fair knowledge of the fundamental business subjects now offered so generally in our collegiate schools of business. We need only call to mind the large variety of business learning covered by the certified public accountancy examinations, and the numerous business courses conducted throughout the nation by the American Institute of Banking.

Life Underwriting No Exception to Rule

Life underwriting is certainly no exception to this rule. Life underwriters need to know much more than the principles and practices of life insurance itself. Their calling deals intimately with economic and sociological problems, with the principles and psychology of salesmanship, with commercial credit, with private and corporation finance, with thrift and investment, taxation, contractual relations of many kinds, and with wills, trust arrangements and the management of estates. Familiarity with these subjects is highly desirable to life underwriters to qualify them for their negotiations with business men and others on a basis of mental equality with respect to the particular business or subject matter that is being underwritten. The mind of the underwriter should certainly be on a parity with and preferably superior to, as regards insurance knowledge, the mind of the life value that is being underwritten. Life insurance is a vocation of ideas practically applied, and the ideas derived from a study of the leading business subjects, required for the C. L. U. degree, will readily lend themselves to an intelligent underwriter by way of specific application to the needs of clients. Repeatedly, when conferring with graduates from our leading schools of business who are now engaged successfully in life underwriting, I am told of the incalculable value derived from the study of economics, sociology, commercial law, credit, banking, corporation finance and investments. As a rule these graduates frankly attribute most of their success as underwriters to a working knowledge of these subjects.

Avoidance of Study Is Height of Folly

Avoidance of study of these subjects is the height of folly. Underwriters also have a life value and should try to make the most of it. The subjects I have mentioned, as well as the subject of life insurance proper, are being presented each year to thousands who attend our business schools and who will be the business and community leaders of the future. If life underwriters do not soon adopt an educational program such as the American College of Life Underwriters has outlined, I am safe in saying that within another decade the average educated business man will be better informed about life insurance matters for his needs than the average life underwriter himself. That would certainly be an embarrassing situation. Such an educational program should have been adopted and energetically pursued long ago. If it had been, the general respect of the public for the calling of life underwriting would be much greater than it is today. If it had been, many of the most serious problems that this National Association of Life Underwriters is contending with today would never have arisen, or if so, would already be relegated to oblivion.

Life insurance is simply undergoing the same educational development that has marked the progress of certain other business professions, particularly

that of accounting. The degree of certified public accountant has served as an effective means, during the past quarter of a century, towards a realization of the professional concept in accountancy. Its status is now recognized everywhere—within the calling, by the public and in the curriculum of our higher institutions of learning. Efficient life underwriting involves the same broad and intensive training along business lines as does efficient accounting. As was the case in accounting, improvement is to be realized only in the course of time. But it seems to me that the time is ripe for life underwriting to begin actively to follow in the path of its predecessor.

AETNA AGENTS HOLD MEETING

More than 100 agents and managers of the Aetna Life, in attendance at the National association convention here this week, gathered a day early and held an informal agency convention of their own, under the direction of Vice-President K. A. Luther and others of the home office organization. For many it was the beginning of a long convention program, for the Aetna Life agency convention is to be held at Quebec next week and many will continue directly from Detroit to that city. The informal gathering Tuesday was a small convention in its own way, with talks from the agency department officials, the medical department, group department, and the field men themselves.

With Vice-president Luther presiding, the meeting was opened by E. W. Baker, general agent at Detroit and president of the Detroit Association of Life Underwriters, who welcomed the agents. R. F. Wagenhorst, a prominent Chicago agent, spoke on scientific prospecting, telling of practical methods in this important phase of the work. Dr. D. B. Cragin, associate medical director, discussed medical underwriting in its relationship to those in the field. J. N. Adams, agency assistant at the home office, discussed sales plans and presented some outlines of work for those in the field. R. J. Wise, an agent at Flint, Mich., analyzed estate planning, discussing this more technical development of the business in detail. After a brief informal discussion, led by Mr. Luther, the morning session was concluded.

Vice-President Luther Is Afternoon Speaker

In the afternoon, S. T. Whatley, Chicago manager, presided and introduced Mr. Luther as the first speaker. Mr. Luther gave "A Family Talk," discussing sales plans and particular field problems of the agency organization as he has seen them in his recent journey across the country. N. E. Degen, general agent at Pittsburgh, spoke on "Our Business as a Career," an inspirational talk on life underwriting. B. A. Thomas, assistant secretary of the group division, spoke on group insurance and its present day position in life insurance. E. M. Deane, one of the leading producers of the company and an agent at Grand Rapids, Mich., gave a forceful sales talk on business getting methods.

In the evening a banquet was held at the Book Cadillac at which the only speaker was L. O. Schriver, assistant superintendent of agents, who took as his subject, "Measuring Up to Our Job as Modern Life Underwriters." In addition to the home office men on the program, R. L. Place, assistant superintendent of agents, was present.

SAYS LIFE INSURANCE IS A LIFE PRESERVER

COMPULSORY THRIFT ASSUMED BY MILLIONS

Premium on Staying Alive Suggested as New Service for Carrying Institutions.

By STEPHEN S. WISE
Rabbi of the Free Synagogue and President of the Jewish Institute of Religion

Every time I make a decently persuasive address, someone tells me that life underwriting has lost a priceless advocate through my blunder in going into the ministry. But if I have erred, I am comforted by the reflection that, though not a life underwriter, I am an immortality underwriter and by the further knowledge that there are two or three, possibly four, members of my religious fellowship in your craft.

I call life insurance the greatest and surest of life preservers. I was a sick man in my youth, and, as a matter of sheerest decency, I have had to keep myself alive in order to maintain the earlier and to secure additional life insurance from time to time. Every time I applied—the members of the association will note the definiteness of the past tense—some defect, even Tennyson's "taint of mind, defect of will," was pointed out which barred the way to additional life insurance. Several times in my life I have gotten needful warnings about one aspect or another of my physical condition which called for medical counsel and even surgical intervention, with the result that I stand before you today, an unimprovable and virtually perfect specimen of the insurance homo.

Life Insurance Is Compeller of Thrift

Life insurance is at one and the same time the most important and effective compeller of thrift. Most important, because one wills as nothing else to make as light as possible the burdens of those who are to be left behind without our sustaining strength! Most effective compeller of thrift, because, though the moralists will be shocked, it leaves no choice to those who have accepted the burden. Normally I expect you laymen to make confession to me: today I make confession to you. I have not put anything aside save what I pay as insurance premiums, and, what is more, I would have saved in no other way. Oh, yes, with one exception. I did put something aside until the time when, some years ago, all my savings were borrowed—I have not yet heard from the receiver in bankruptcy whether I am finally and in full payment to receive 3 or 5 percent of the amount I loaned. Now I can truly say to would-be borrowers, "Go to the president of the Equitable Life Assurance Society, or the Mutual, or the New York Life, or the Metropolitan, or the Northwestern, or the Aetna, or the Mutual of New England, or the Mutual of Connecticut, or the Union Life of Cincinnati, and borrow from him or them whatever you can get. He has, or they have, all my savings." As I received the notice of bankruptcy, I felt like that poor couple in my old home town in Oregon. They were standing, half a century ago, before the tightly shut doors of a newly defunct bank. As sometimes

happens in Portland, the rain fell and the watchful husband turned to the thrifty wife and said: "And you always begged me to put money aside for a rainy day. Well, it's raining."

Suggests Premium On Staying Alive

May an amateur who believes in your cause offer a suggestion which may be deemed worthy of Mark Twain? Why not put a premium on staying alive? I know that premium costs are reduced by annual dividends, etc., but my suggestion is that, after the first five years of the life of any policy, by which time I believe that you underwriters are prepared to share some part of the proceeds with the companies, there might be a reduction in cost of insurance of 1 or 2 percent, increasing annually say by 1 percent until 5 or 10 percent is reached, as a special reward to the man who has helped to keep himself alive. I ask no remuneration for this invaluable suggestion. It is my free-will and utterly unselfish offering upon the altar of our common cause.

I have from early youth placed my



HARRY T. MILLER, Detroit
Chairman Banks and Trusts Committee

faith and limited means in the keeping of life insurance companies. I believe in life insurance a priori, for it seems to me the facing of the fact of life, which is always good. And not only the facing of the fact of life, but making provision for the eventuality which is too often regarded amongst the confusions of sentimentality rather than viewed with the clarity that is born of the recognition of realities and of the purpose to meet them with foresight and wisdom. If in other days men took insufficient account of the fact of death and its material consequences to the family group, it was because of lack of prevision. There can be no provision for the surviving if there have been during their life time no provision by the dead.

We Must Do What We Can Here and Now

And something else stood in the way of the wide acceptance of the wisdom of life insurance. What shall we call it? A sloppy and questionable mysticism, which half-daringly and half-cantingly uttered the formal: "Leave it to God." My answer is simple, and, I believe, not irreverent: "God gives it and leaves to me here and now to make all possible provision for loved

"Too Good to Be True!" Agent Hesitated for a Year

An Agent who, recently joined The Columbus Mutual, after a year's deliberation, when asked to explain his hesitation, said he had held back because The Golden Rule Agency Contract "seemed too good to be true."

In the Columbus Mutual Agency force there exists a Morale that is wholly without precedent in Life Insurance for the contract is as "True" as it is "Good."

You may want to "think it over" for several months or a year but today is the day to mail your inquiry for information concerning the fairest and most profitable agency contract ever devised.

COLUMBUS MUTUAL LIFE

C. W. Brandon,
President



Columbus,
Ohio

If from the Policyholder's viewpoint you are interested in relative superiority of companies listed as "Excellent" in Best's Chart, try to find one that excels, The Columbus Mutual in any respect. Make any tests, or comparisons you please.

The OLD LINE LIFE
Insurance Company of America

Home Office Milwaukee, Wisconsin

is operating in the following states: California, Illinois, Iowa, Michigan, Minnesota, Ohio, Oregon, Oklahoma, Pennsylvania, South Dakota, Texas, Washington, Wisconsin.

Please send me "Strong Points" and "Interesting Facts" about the Company.

Name _____

Address _____

ones, the care of whom is my life-task." I may and do trust to the higher wisdom what in this life I cannot do. But I must do what I can, bearing my burdens like a man whose vision and purpose need not be stayed by the grave.

And there are many men, particularly in professional life, who, like the speaker, do not wish to concern themselves with fiscal and investment problems. I have chosen to shift that burden to trustworthy experts. But all that I have said gives me the right to lay a solemn injunction upon you. It is not enough to assure me that the insurance companies are like banks, under strict and continuous state supervision. I ask much more than scrupulous state surveillance. We who place much, even all, in the hands of the life insurance companies, have the right to demand something more—the most rigid and meticulous self-scrutiny. Not chiefly conformity to the requirements of the state, however rigid, but the lifting up of the highest of standards by those who, more than any others, are the trustees for multitudes throughout the nation.

Policyholder Has Right to Certitude

A man who buys stocks knowingly takes a chance and hazards his means. My fellow-investors in life insurance, and I, have the right to demand certitude. To this end I have a proposal to make which in one form or another will in time be accepted. From year to year one or two representatives of the life underwriting group of every company should be invited to serve on the directorates, so that those contact men shall not only have the right to sell insurance, but be enabled to give moral guarantee that the trust funds of the insurance fund are being safeguarded as none other.

I have sometimes thought that life insurance is the one potentially perfect form of ethical co-operation. Not from the viewpoint of underwriting or over-righteousness do I say that my interests and those of my family coincide entirely with those of the life insurance companies, which for a consideration have covenanted to support my widow and orphaned children. I can hurt the insurance companies only by doing injury to myself. I can hurt them only at mortal cost to myself. The more vigilant I am in safeguarding my health, the lighter becomes the burden which will be shifted from me to them. We can win together or we must lose together.

I like life insurance and everything

else straight. It ought not to be mixed or sugar-coated by or bound up with anything else, for example, fraternalism and the so-called fraternal orders. Life insurance is a business to be administered with scientific exactitude and moral integrity. Life insurance that is bound up with other things oftentimes proves in more ways than one to be other than straight life insurance. Insurance may be sold cheaply; cheap insurance may be very cheap, but it is not insurance.

Life Insurance as the Right of All

I have long favored and even urged the practice of persons insuring themselves for the sake of causes. Many of us give of time and strength and substance to causes which we would fain have go on and flourish after our death. I have no large means to bestow upon great causes which I have cherished, and sought to serve during my life. But, through insurance, it will be possible to do that for causes which in my life-time I would but could not.

One earnest word of appeal to you, one of the finely intelligent and far-seeing groups in the nation. The next step must be insurance not as the luxury of some, but as the right of all. Do not suffer yourselves to stand in the way of compulsory insurance for all the people—death, old-age, sickness, unemployment insurance. In nearly all European lands these obtain in one form or another. Apparently we are not yet civilized enough to plan and build an adequate insurance structure for all groups and classes in the nation. Is it because our land is richly favored, and our people too prosperous? But it is the favored and prosperous who insure themselves, or rather, their families. My faith in the value of life insurance moves me to will to share its benefits and satisfactions with all my fellow-Americans.

Gentlemen, many of you are equipped for posts of responsibility and authority in the companies you represent. No calling enlists a higher order of intelligence and integrity than your own. Many forward-looking institutions of learning invite members of their faculty to serve in rotation on their boards of trustees. In exactly the same way you have much to give to the directing groups of your companies and will, too, in this way be enabled in turn with greater assurance to commend to men and women that commodity, if the term may be used, in which you deal.

IT'S CONTAGIOUS...and it's
Nation-wide...because it's the
finest approach medium ever
used by a Life Insurance Agent.

Our Demonstrators secure immediate
interviews.

Policyholders want the Service at
Sight.

Full Information at Our Booth

The Guhne Service
In the Crystal Ball Room

BRAGG OUTLINES CONVENTION WORK

(Continued from Page 4)

the faith with your professional ideal by refraining from the use of "high pressure" efforts to sell him more life insurance.

The method whereby you would find the answers to these four questions would include:

First, A survey and analysis of the client's situation in all his personal and financial relationships in life; his individual relation to his own ambitions, objectives, plans, and interests; his relations to his family, to his business or vocation, to the general estate which he had already created.

And then, out of the liabilities, responsibilities and interests which these relationships create in life for your client you would find his specific needs for life insurance. I use the word "needs" in the broad sense, embodying "wants." From your study of the man himself in the midst of his activities you would determine his capacity to pay premiums. Your next step would be to organize the plan of life insurance for him. This step would involve two processes: the creation of his life insurance estate through the adaptation of his old and the indicated new policies to his needs and purse—and the establishment of an agency for the conservation and management of his policy proceeds.

Knowledge of Life and Its Problems

These two processes—the creation and the management of the life insurance estate—are interdependent; each must be coordinated with the other—and both must be adapted to the client's needs.

This brief discussion of professional life underwriting in the creation of his life insurance estate implies that you could not serve your client efficiently, even granting that it were your earnest desire to be controlled in your work only by his interests, unless you had a broad knowledge of life and its problems—human nature and its interests—life insurance in its variations—and the application of life insurance to specific needs. And it is this last factor "the application of life insurance to specific needs," which forms the general subject of several of the addresses in our program. Let us read the titles of these addresses—"The Value of Life Insurance to the Policyholder Himself," "The Proper Place of Life Insurance in the Economy of the Home," "Life Insurance for the Protection of Business Interests."

If we could have covered in our program a broader survey of the application of life insurance to each major problem in our client's situation, we should have included a special address on "Life Insurance as a Self-Completing Sinking Fund to Absorb Depreciation and Shrinkage" in the general estate of the client, and another covering "Life Insurance for Bequests—Charitable, Philanthropic, etc." However, these subjects will be referred to in the address, "Methods of Conserving and Managing the Proceeds of Life Insurance Policies."

This particular address affords our transition to the second phase of professional service in life underwriting—the conservation and management of the life insurance estate.

The mere creation of the life insurance estate through the organization into a plan of several life insurance policies, does not assure your client that the proceeds of this estate when it matures will be invested safely and managed wisely to the end that the estate shall serve the purposes for which it was needed and intended.

Hence, if you would render a complete service to your client, you must have a thorough knowledge of the application to your client's needs of the

two chief agencies whereby the proceeds of life insurance may be safeguarded and managed, (1) trust companies and (2) life insurance companies through the income devices embodied in their policies.

Our program includes two addresses on this subject—the first by an eminent banker who will discuss "The Place of the Trust Company in the Plans of the Life Underwriter"—and the second by an experienced underwriter and member of the bar, who will present a critical study of "Methods of Conserving and Managing the Proceeds of Life Insurance Policies."

These two addresses covering the problem of carrying the life insurance estate into action after the policies shall have matured, dovetail with the other addresses, previously mentioned, covering the place of life insurance in the personal plans of the individual policyholder, in the economy of the home, and in the protection of business interests. And all these addresses form a unity in our development of our concept of professional life underwriting.

We stated a moment ago that we cannot be efficient in our work unless we have a broad knowledge of life and its problems. And since one of the new activities of mankind is flying, carrying with it a relationship to the underwriting of life risks, we are consistent in the development of our theme in including in our program an address on "The Airplane of Today and Its Influence Upon Our Economic Progress" by one of the pioneers and leaders in this field.

Cover Enlightened Selling Methods

And now, recalling our general outline, we take up the second part of our discussion of the underwriter's work—salesmanship. We must be able not only to render efficient service to our client, but also to lead him to want our service.

Therefore, we have included in our program four addresses covering enlightened selling methods—methods which harmonize with our ideal of professional service—methods which will aid us in our aim to lead the public to appreciate the specific uses of life insurance. Three of these addresses will be delivered by eminent members of the million-dollar round table. The other address—which bears the intriguing title, "Oats," will be presented by an underwriter from Buffalo who disguises a great salesman under the rather obscure title of "general agent."

And now we come to the third part of our discussion of the world of "I do"—the executive and administrative aspects of the underwriter's work.

This subject recalls to mind a statement which was made at an agency meetings several years ago by our friend, Mr. T. R. Fell of New York. I cannot quote Mr. Fell literally but the gist of his idea was this: "Every life insurance agent is an executive whose job it is to manage the work of one life underwriter." Expressing this thought in another way we might say that, in a measure, every underwriter is his own manager or general agent. He is the executive head of an agency which employs the one underwriter—himself—whose success or failure most vitally affects his interests. Therefore, he should profit by a discussion of the principles and methods of agency management.

Job as Manager of Himself

In the session covering "Planning Agency Building" which will be conducted Thursday evening by our friend, John Marshall Holcombe, Jr., manager of the Life Insurance Sales Research Bureau, we are killing "two birds with one stone." We have a section of our program which is devoted primarily to the interests of general agents and managers, but which will actually cover for the individual underwriter many of the executive and administrative duties

which are inherent in his job as manager of himself.

We have now completed our outline of the world of "I do"—the underwriter's work. And now we shall consider the world of "I am"—the underwriter himself. This subject is divided into two parts—the underwriter's knowledge and the underwriter's attitudes.

In our discussion of the underwriter's work, the world of "I do," we referred repeatedly to that which the underwriter must know in order to serve his client. Moreover, we constantly used the phrase "professional service." And this phrase implies that in applying his knowledge to the particular case the underwriter must be motivated by an attitude of fine sympathy for his client's interests. Thus while discussing the underwriter's work, we have suggested all that we shall say about the underwriter himself—his knowledge and his attitudes. You will recall my statement that the worlds of "I do" and "I am" are mutually inclusive.

Our specific discussion of the underwriter's knowledge will center in the addresses by the president and dean of the American College of Life Underwriting—an institution of higher learning which has for its objective the education of men and women for professional service in life underwriting. This college will be an important factor in our work of leading the public to appreciate the nature and uses of life insurance.

Special Discussion of Underwriter's Attitudes

Our special discussion of the underwriter's attitudes will be embodied in the address, "Character as a Business Asset," which will be delivered by a speaker who has achieved distinction in the worlds of advertising and of the daily press. By "attitudes" we mean one's inner reactions to his relationships in life—his tastes—his interests—his loyalties. The sum of these reactions constitutes his philosophy of life—his standards of value. And these attitudes find their total expression in his character—and his character determines his essential worth as a man.

We have now completed our outline of the subject, "The Individual Underwriter," and we pass to a brief discussion of The Organized Group of Life Underwriters—or to use the proper name, The National Association of Life Underwriters.

In his opening address, President Myrick has already reviewed the achievements of the association during the past year. Later, our managing director, Mr. Hull, will state the ideals to which our members aspire in their work in the years to come. We have heard two of our distinguished members utter for us the response which has been stirred in our hearts by the loss during the past year of two great leaders—Edward A. Woods and Orville Thorp. And now let me say, as chairman of your program committee, that the essential spirit of our program—the ideal of efficient, unselfish service—is dedicated as a tribute by this convention to these two departed friends.

In the attainment of the objectives and in the achievement of the purposes expressed and implied in our theme, the National association will act in friendly cooperation with the other associations within the institution of life insurance, and with the organizations of insurance commissioners and bankers. It is fitting, therefore, as well as pleasing, that we should set aside a part of our program for the special purpose of extending our cordial welcome to the representatives of these distinguished groups.

We now pass to the discussion of the second of the two major forces which, through their action and interaction, will aid us in leading the public to appreciate the nature and uses of life insurance—institutional advertising.

If I should state in terms which are common in the field of commodity merchandising, one of the objectives which

is implied in our theme, I should say that the institution of life insurance wants a larger share of the "consumer's dollar." Strictly speaking, however, we differ from the industries which are conducted primarily for private profit and which market consumer goods, in that what we really want to do is to induce the individual member of the public to divert into his own cooperatively conducted reservoir, a larger share of his present annual income in order that this share may be multiplied through profitable use today in the basic economic activities of the nation while it is being conserved for his own use or the use of his beneficiaries—tomorrow—in the completion of those very plans which afford the dominant motivation in his life today.

Our competition for this larger share of the annual dollar expended by the individual, is with the other satisfactions which he can obtain for his money largely material satisfactions for immediate enjoyment.

And this is difficult competition because he does not know the proper place of life insurance in the economy



JAMES ELTON BRAGG, Philadelphia
Secretary of National Association

of his home, in the protection of his business interests, and in the advancement of his other plans. He does not think of life insurance today in terms of specific needs—his concept of life insurance consists largely in a vague notion of "protection." And, my friends, fine appreciation of anything in life—of any institution and its service—is not cultivated by "twilight effects."

Lead Him Into New State of Mind

We wish to lead the individual member of the public to a proper evaluation of life insurance in its relation to the other satisfactions which he wants in life. In effect, we wish to lead him into a new state of mind—to give him a new scale of values—which will incite him to adopt a more symmetrical, a more rational plan for the distribution of his annual income into present standard of living and into provision for future contingencies.

Whereas it will be the function of the underwriter to apply life insurance to the particular case—to induce the individual to study his life problems and to adopt that plan for creating and managing his life insurance estate which will best serve his interests within the limitations of his means—it will be the function of institutional advertising through an organized campaign of education reaching the individual member in his moments of relaxation to create that state of mind which will enable the professional underwriter and his company to do the most effective work for the public good.

Perhaps I can give you a better general idea of the distinction which I have in mind when I recall to you that

During the war there was a sudden increase in the amount of new life insurance produced, and that the trend of this increase upward—with the exception of the reaction year in 1921—has gone forward. Did the sudden upward trend in our production in 1917 result from a sudden revitalization and increase in efficiency on the part of our agency forces? Did we create this new production—or was it possible because something else created a new state of mind on the part of the public toward life and life insurance—which our agents took advantage of?

I realize that the increased efficiency of our agents has contributed since the war to the sustaining of the new level of business which was established during the war. But I am also firmly convinced that the endorsement of life insurance which was given by the federal government during the war—the publicity which was given to the benefits of life insurance—coupled with the contemplation of death which came to all the men who joined the colors—created a state of mind on the part of the public which predisposed them to the purchase of more life insurance. The national concept of life insurance in 1919 was quite a different thing from that which it had been in 1916.

And it was due, I believe, to influences which were beyond our agents—beyond the efforts of the whole institution of life insurance itself. We made good on the opportunity which faced us—but we did not create the opportunity.

Proper Use of Educational Advertising

Likewise, we believe that through a properly conducted campaign of educational advertising, institutionally conducted, we can bring about another large advance in the public's knowledge and appreciation of life insurance—with its abundant opportunity for more business.

The address covering this subject in our program will be delivered by a speaker whose work has achieved pre-eminent distinction in the fields of literature and business.

It is fitting that in discussing the problem of leading the public to appreciate life insurance, we should call upon a recognized leader of thought among the public to tell us his concept of life insurance, and to point out to us the concept which we may in time bring to all the American people. We are pleased, therefore, that one of America's great religious leaders, one of America's

great personal forces for good, should come to us for this purpose.

The logical climax of our thinking is that in the end the achievement of the aim implied in our theme must result in benefits to the nation—it must be above selfish interest of agent or company—our institution deserves to prosper only in the measure that it renders a larger measure of service to the nation. What would it mean to America—as a nation—as a people—if we were to lead the public to a greater understanding and appreciation of the nature and uses of life insurance? We are pleased that the official spokesman for that great group of life insurance companies banded together in The American Life Convention has accepted our invitation to present his message on "Life Insurance and the Nation's Welfare."

Interaction of Two Major Forces

The National association believes that it is our duty and our opportunity both as a group and as individuals to lead the public to a greater appreciation of the nature and uses of life insurance. We believe that this end will be attained through the interaction of two major forces, the personal contact with the public of competent, professionally-

minded ambassadors of a great institution, rendering efficient service, and through that service extending good will,—aided in the performance of that service by educational advertising which through constant contact with the public will create in the public mind a concept of life insurance which will make it possible for these ambassadors to render a full measure of service. We believe that the interaction of these two forces will result in both a horizontal and a vertical increase in the spread of life insurance—more people will be insured and each person will carry more insurance.

We believe that when the clear white light of truthful advertising shall have been shed on the beautiful structure and beneficial uses of life insurance, conservation will be less of a problem than it is today. When the public understands and appreciates life insurance and thereby becomes discriminating buyers of life insurance incompetent agents will not be able to survive in the business. Policies will be well-sold in the first place to cover specific needs, to enlightened clients, by men and women who know their business, and who apply this knowledge professionally. One present cause of lapsation—the maladjustment of policies to needs—will lose its force. Through advertising and through the underwriter's service calls we shall keep constantly alive and active in the prospect's mind the noble sentiments or considerations of value which originally incited him to take his policy. "Twisters" who now profit by their clients' ignorance of even the fundamentals of life insurance will have to seek other fields for their activities.

We believe that as a result of all these advantages our nation will be happier and more prosperous—and that our people will live longer.

—“offers all the tools necessary to a man's success”

AFTER having had experience for nearly a quarter of a century with the Central Life Assurance Society (Mutual), Mr. Larson states this as his conviction: “If a man cannot make good with the Central Life Assurance Society, he cannot make good with any other.” For in his present connection, Mr. Larson says, he has had effective cooperation, the best of sales service and every opportunity for advancement. Or summing it up, “All the tools necessary for any man's success.”

Old Enough

to be thoroughly established

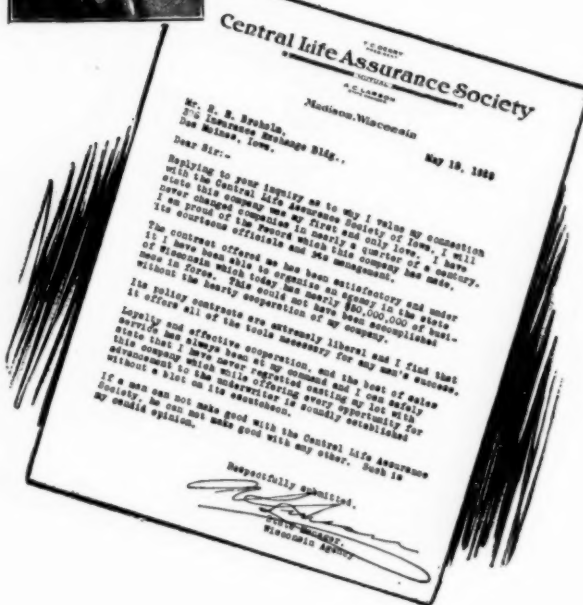
Young Enough

to offer exceptional opportunities

That briefly tells the reason why a connection with the Central Life Assurance Society (Mutual) has proved advantageous to so many men in the life insurance field. We still have many exceptional opportunities for younger men who are willing to pay the price of success in hard work. For to such men we can afford to give our fullest measure of cooperation.



A. C. Larson,
Supervisor,
Central Life
Assurance
Society,
(Mutual)
Madison,
Wisconsin.



T. C. DENNY
President

Central Life Assurance Society
(Mutual)

Des Moines, Iowa



MILLION DOLLAR GROUP ORGANIZES

(Continued from Page 4)

can pay for life insurance and then selling him all he can pay for. Mr. Eubank suggested that life underwriters take full advantage of the recently developed interest and cooperation of trust companies, as this is utilization of “local emotions.” He said it is valuable as a tie-up of local, known, fully familiar men and institutions with the proposition under discussion. It localizes the proposition.

In closing the round table conference, Mr. Clark suggested the permanent organization of the group and to effect this named the following committee: George E. Lackey, of Oklahoma City, chairman; William Duff, of Pittsburgh; and Earl G. Manning, of Boston. The form of organization will be worked out by them.

CLARK BOOMED FOR PRESIDENT

Every indication points to Paul F. Clark, Boston general agent for the John Hancock Mutual Life, as the next president of the National association. Mr. Clark is presented by the Boston local association as a candidate for the office to succeed Julian S. Myrick, its unanimous support of this candidacy being echoed by other associations and no other candidate being mentioned in and about the convention floor. Mr. Clark is an able life underwriter and executive officer. He is a million dollar writer of personal business as well as the leader of an outstanding agency organization. He has always been active in association work, local and national, and, though he held no office the past year, was vice-president the year before and declined to be considered for the presidency last year, though urged to do so at the last annual meeting.

STRONG ADDRESSES FEATURE PROGRAM

(Continued from First Page)

"twisting" situation and the necessity for the protection of the public.

High Tribute Is Paid to Thorp and Woods

Strong tribute was paid to the memory and work of the late Orville Thorp of Dallas, Tex., former president of the National association, by J. Stanley Edwards, general agent of the Aetna Life in Denver and former president of the National association, and a similar tribute to the late Edward A. Woods of Pittsburgh, also a former National president and ever active since its organization, was given by Dr. John A. Stevenson of the Penn Mutual Life in Philadelphia. Mr. Stevenson reviewed both the agency work and association activity of Mr. Wood, citing his gigantic accomplishments, always directed towards improvement of the business and its manner of operation. Mr. Stevenson pointed out that Edward A. Wood was identified with, if not responsible for, all of the progressive developments in life insurance of the past 15 years.

Changes in By-laws Adopted by Association

Before naming the nominating committee, Mr. Myrick called for consideration of the proposed change in by-laws, increasing the official group, and this change, presented by William M. Furey, was adopted by the convention. Another change was adopted, creating an advisory nominating committee, to receive proposed nominations from local associations and agents 60 days before the convention. It was pointed out that this would enable candidates to plan for their year's work and determine whether they could undertake the added responsibility, facilitating the organization work at the convention. Following the convention announcements, the morning session was adjourned.

Insured Protected as Well as Beneficiaries

Dr. S. S. Huebner, professor of insurance in the Wharton School of Commerce and Finance, University of Pennsylvania, and dean of the American College of Life Underwriters, in his address again emphasized the "life value" idea which he has done so much to bring to the fore in the field of life insurance. He declared that the insured is a beneficiary under his policy, during his lifetime, just as much as the named beneficiaries, as he is protected against his natural weaknesses in the fields of thrift, investment and the scientific arrangement of his economic affairs. Analyzing the cost of insurance, he declared that the cost of remaining uninsured is really greater than the cost of being insured.

He upheld the use of the term "life underwriter," and insisted that the underwriter's business is not merely selling, but placing the policy that fits the individual's needs, and that the agent's worth is measured by his ability to serve his clientele.

Insurance Is Factor in Compelling Thrift

The function of life insurance as the most important and most effective compeller of thrift was emphasized by Rabbi Stephen S. Wise of New York. He suggested that there might be a reduction in cost of insurance granted to the policyholder as a premium for staying alive. In view of the fact that many men, particularly of the professional classes, do not wish to concern themselves with financial and investment problems, and have therefore shifted those problems to the insurance companies, he suggested, and declared that the proposal in one form or an-

other will in time be adopted, that each year one or two representatives of the life underwriting group be invited to serve on the directorates of the companies, to give a moral guarantee that the trust funds are being properly safeguarded.

WASHINGTON GETS NEXT CONVENTION

(Continued from First Page)

tion News." Mr. Hull volunteered to accept a reduction in his own salary to help reduce the deficit. He also reported on his recent swing across the continent, stating that he had traveled 30,000 miles and visited half of the local associations in the country.

In discussing the question, "How Shall We Add 3,000 New Members in 1929?" there was some disposition to hold that it was a matter primarily for the local associations, but that view was strongly combatted by George W. Ayars, of the Phoenix Mutual Life, in Los Angeles, who urged that the national organization should get back of the campaign with all of its force and put out appeals that will be the last word in effectiveness.

Paul F. Clark, reporting on the ques-

tion of institutional advertising, recommended that the executive committee authorize the president to appoint an advertising committee, which shall confer with the companies in regard to their attitude toward cooperative advertising, basing the proposed campaign on the survey soon to be given out by the Life Insurance Sales Research Bureau.

He referred to the possibilities of such a campaign in improving the quality of agents, pointing out that the average agent's earnings are only \$1,300 a year and that 3,500,000 policies were sold last year by 70,000 agents. He said that the turnover of agents is now entirely too high and that the business is not attracting men of the highest grade. He believes that the proposed advertising campaign would help to attract college men.

Reports Are Made On College Progress

In addition to the regular committee reports, Ernest J. Clark, president of the college, and Dr. S. S. Huebner reported on the progress of the American College of Life Underwriters. Mr. Clark called it "the biggest thing that the national association has ever done."

Dr. Huebner said he expected 125 candidates for the next examination. One association has promised to send 20 and another 10, but most of them, he said, have shown very little interest in the project.

High tributes were paid to the memories of the late Orville Thorp, of Dallas, Tex., and the late Edward A. Woods, of Pittsburgh, both former presidents of the national association, and a resolution was adopted on the recent death of Charles Dobbs, of the "Insurance Field."

THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION

Published Every Friday by the
NATIONAL UNDERWRITER COM-
PANY, Chicago, Cincinnati and New
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Subscription Price \$3.00 a year; in Canada \$4.00
a year; Single Copies 15 Cents.

WHY ARE SPRINGFIELD LIFE AGENTS SUCCESSFUL?

Operating in

OHIO

MICHIGAN

INDIANA

ILLINOIS

MINNESOTA

IOWA

MISSOURI

KANSAS

OKLAHOMA

TEXAS

CALIFORNIA

The Answer is simple. Ours is a Company that is sincerely interested in its Field Workers. An interest that is more than cleverly written advertising copy for publication in the Insurance Journals. Our Executive Family believe and know that successful Agents are the very bone and sinew of the Company. To serve them 100% is their one thought.

Our Service is not mere idle chatter. It is a real effort to issue a policy on every insurable person. We issue both Standard and Sub-standard. Our occupational ratings are fair and liberal. Men and women are accepted on the same basis.

We issue all standard forms of old line, legal reserve, participating annual dividend policies. Our net cost is on a low competitive basis. Every policy we issue may be sold with premiums payable annually, or in semi-annual, quarterly or monthly installments, from the first year on. We have had 32 years experience with monthly premiums and have the necessary equipment to handle such business.

We write non-medical on very favorable conditions. Regular adult policies are issued to children from nearest age 10 up. We have a new policy for \$1.00 a month, issued to Children as low as 6 months and adults up to age 60. Our Agents are writing the entire family. Have you ever considered what this might mean to you?

Our Agency Contracts are liberal and fair. Non-forfeitable renewals are given without a service clause in the contract. We pay an exceptionally high second year renewal.

Specific information will be given upon request.

Why not Serve and Succeed with The
Springfield Life
Insurance Company
Springfield, Illinois

A. L. Hereford,
President.

C. Hubert Anderson,
Superintendent of Agencies

Pursuant to the order of the Federal Court

MISSOURI STATE LIFE INSURANCE COMPANY

Announces that it has purchased all of the insurance business and assets of the

International Life Insurance Co. and Guarantees Full Payment of All Just Claims Arising from Policies Issued by that Company

THE reserve millions of The Missouri State Life Insurance Company are now as squarely behind every International policy as if each had originated through our own agency channels.

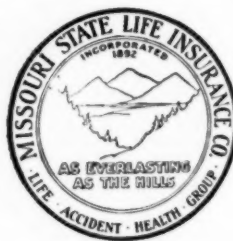
The total insurance in force is now in excess of one billion, one hundred forty million dollars—making the Missouri State Life Insurance Company the largest insurance institution west of the Mississippi and fourteenth among the more than 350 old line companies in the U. S. Assets mount to a total of more than one hundred twenty-five million dollars.

The Company's business extends into forty-one states and territories—twenty-five principal cities have branch offices—general agencies exist in almost every principal

center. Its field work is conducted by more than four thousand representatives.

Behind this great insurance institution stands an ideal that places the mission of insurance among the greatest of all humanitarian influences. The contracts of this institution are sacred commitments—pledges made in times of foresight to be faithfully redeemed in hours of human adversity.

The officers, the directors, the stockholders, the personnel of the Missouri State Life Insurance Company regard with gratitude the privilege that is now theirs to provide proof that the bulwarks of life insurance are too strong and too sacred for any untoward event to successfully assail their security.



HILLSMAN TAYLOR, President

HOME OFFICE, St. Louis

BOARD OF DIRECTORS

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			F. O. Watts St. Louis Chairman of Board First National Bank

MORE THAN A BILLION ONE HUNDRED FORTY MILLION DOLLARS INSURANCE IN FORCE—OVER ONE HUNDRED TWENTY-FIVE MILLION DOLLARS ASSETS

The Reason

will interest you if

in
ten years

**12
TIMES**

**THE
INSURANCE
IN
FORCE**

If you are interested in selling life insurance you will be interested in the key to the Gem City Life's record of increasing assets and insurance-in-force more than twelve-fold in ten years.

In the agency contract and the policy line which includes all standard and some special forms of participating and nonparticipating contracts, group insurance and accident and health coverage, will be found the real reasons for the success of the Gem City Life agents. In the success of our agents lies our success also.

If you will write I. A. Morrisett, vice-president, he will be glad to give you complete details of our agency contract and reasons why it will pay you to join the Gem City Life.

Eight millions of increase first eight months of 1928.

The Gem City Life
INSURANCE COMPANY OF DAYTON, OHIO

TERRITORY OPEN

In Ohio, Michigan, District of Columbia, West Virginia, Georgia, Alabama and Louisiana.

A PLAIN STATEMENT

While gratified by the large increase in its new business, this Company is primarily interested in the carrying out of a well defined, long time program of development consisting of—

- [1st] Specializing on the larger and more desirable risks through its Preferred Life Plan and offer to this group the unusual savings to which this plan of operation entitles them.
- [2nd] The building of a high type of sales organization capable of dealing with the business and professional men who make up this Preferred group.
- [3rd] The training through personal instruction and group conferences of its Managers and General Agents in the essentials of sales management so they may successfully recruit and train this better class of salesmen.

We believe this program will not only secure the continued sound growth of the Company, but will create a most unusual opportunity for those associated with it.

HOME LIFE INSURANCE CO.
Ethelbert Ide Low, Pres. James A. Fulton, Vice Pres.
256 Broadway, New York

INCREASED SALES

Fidelity's average policy for all plans last year was \$3,362. The average policy for the New Low Rate Life plan over its first three months was \$9,683. What does this mean in dollars and cents to the Fidelity agent?

Modern insurance protection involves programs. Attractive programs demand attractive rates. Fidelity's *New Low Rate Life Policy* admirably meets this need. This new plan was adopted to mark the Golden Anniversary of the Company.

Issued only to preferred risks, ages 20 to 60, in amounts of not less than \$5,000. At age 35 the premium for \$10,000 is \$226.50, with a first year dividend (1928 Scale) of \$29.50; net cost \$197.00. Think it over.

Permanent Total Disability and Double Indemnity Benefits are issued in connection with this plan.

⌘ [Agency connections available in forty States—] ⌘
on a live-and-let-live contract

**THE FIDELITY MUTUAL LIFE
INSURANCE COMPANY**
PHILADELPHIA

Walter Le Mar Talbot, President

A Policy You Can Sell

*A \$5,000 Policy in The United Life
and Accident Insurance Company*

PAYS

- \$5,000, the face of the policy, in case of death from any cause.
- \$10,000, or DOUBLE the face of the policy, in case of death from any ACCIDENT.
- \$15,000, or THREE TIMES the face of the policy, in case of death from certain SPECIFIED ACCIDENTS.
- \$50 PER WEEK, direct to the Insured, in case of total disability as a result of accidental injury, for a period not to exceed 52 weeks; and after that \$25 PER WEEK, throughout the period of disability.

*A Sound, Conservative
New England Company*

**UNITED LIFE AND ACCIDENT
INSURANCE COMPANY**
HOME OFFICE, UNITED LIFE BLDG., CONCORD, N. H.

NEW ENGLAND MUTUAL LIFE INSURANCE COMPANY

BOSTON, MASSACHUSETTS

Always a Resolute Defender
of the Mutual Principle in
Life Insurance Practice

EDGAR C. FOWLER
General Agent
705 First National Bank Bldg.
CHICAGO, ILLINOIS

JULIUS H. MEYER
General Agent
30 N. La Salle Street
CHICAGO, ILLINOIS

Bokum & Dingle

General Agents

Massachusetts Mutual Life Insurance Company

of Springfield, Mass.

112 W. Adams St.

Chicago, Ill

BERKSHIRE LIFE INSURANCE COMPANY

Pittsfield, Mass.

We have room
for two or three
more active
agents in
Chicago.

ROBERT F. PALMER
General Agent
105 S. LA SALLE STREET
Chicago, Illinois



NEW ENGLAND COMPANIES
have always stood out prominently as bulwarks of safety in life insurance. In fact, New England is a synonym for dependable protection. New England laws and New England state supervision are recognized the country over as exemplars. The Chicago agencies of New England companies have taken special pride in being able to carry the banner of sound life insurance to the people of that great city.



WILLIAM M. HOUZE
General Agents

Room 1948, The Straus Bldg.
S. W. corner Michigan Avenue and
Jackson Boulevard
Telephone Wabash 2727
Chicago, Illinois

Exceptional Opportunities
for Full Time Agents and
Brokers in Our New
Agency.

Will Be Glad to Have You
Call and Get Acquainted.

Connecticut Mutual Life Insurance Company

Founded 1846

HARTFORD, CONNECTICUT

SAMUEL T. CHASE
General Agent
231 So. La Salle St.,
CHICAGO, ILL.
Phone Central 5703

LOUIS J. FOHR
General Agent
208 So. La Salle St.,
CHICAGO, ILL.
Phone Central 7558

WILLIAMSON & WELLBELOVED
General Agents
222 West Adams St.,
CHICAGO, ILL.
Phone Randolph 1060



A SOUTHERN UNION YEAR

1928 is two-thirds gone, and the best part insofar as production is concerned, still remains — the fall and early winter months. The eight months past have been the very best eight months in Southern Union history—best in new business—best in lowered lapses—best in general growth and expansion.

Texas is in exceptionally good shape now. Crops have been good—manufacturing is rapidly increasing in our state—and life insurance business is due for much more rapid growth.

It's a rare combination to tie to — a splendid company in a mighty prosperous state.

Why don't YOU come to TEXAS?

**SOUTHERN UNION
LIFE INSURANCE COMPANY**

JAS. L. MISTROT
PRESIDENT

FORT WORTH.

TOM POYNOR
VICE PRESIDENT

YOUR CASTLES IN THE AIR—

Are They Insured?

THE MUTUAL BENEFIT LIFE INSURANCE COMPANY

of
NEWARK, N. J.

Our ambition is to furnish the best possible product and service to policyholders and agents.

NATIONAL LIFE INSURANCE COMPANY of The United States of America

Established 1868

ALBERT M. JOHNSON
Chairman of the Board

ROBERT D. LAY
President

SIXTY YEARS

Sixty years ago in 1868 the National Life Insurance Company of the United States of America began business under a federal charter granted by a special act of Congress—a unique distinction. From the first year, at the end of which only a few millions of insurance were in force, the Company has become not only one of the twenty-five oldest life insurance companies in America, but it is one of the companies having paid the largest amount to policyholders during that period—\$115,000,000, and has become one of the large companies of the country with

Insurance in Force \$300,000,000
Assets in Excess of 53,000,000

It is now completing sixty years of real service to the public, is looking ahead and is viewing the years to come with great enthusiasm and a progressive spirit—there are openings in a few of the states in which we are doing business—openings for men of ambition, vision and character to properly capitalize the opportunities at their disposal.

Our school for salesmen is brief, practical, and trains SALESMEN who SELL.

Men who have come with the Company during the past decade have done well—they will do better in the coming years—so will those who now affiliate with this fine Company—which is OLD, but not AGED.

Our Five Point Complete Protection policy combines in one contract life, accident, health, permanent and total disability, weekly indemnity.

Special Low Rate Policies
Substandard
Non-Medical
Modified Life

All of the tools with which to carve out a worthwhile success are here—are you ABLE.

Address

WALTER E. WEBB, Vice President

Home Office
29 South La Salle Street
Chicago, Illinois

A fine OLD Company for ambitious YOUNG men

FIRST IN ILLINOIS

Of all the Illinois legal reserve companies, the CHICAGO NATIONAL LIFE wrote more new business in its Home State in 1927 than any other company. Here is the record, with the companies ranked according to their new business in Illinois during 1927:

Rank	Name of Company	Began to Write Business	Age, Years	New Business Written in 1927
1	CHICAGO NATIONAL LIFE	1922	6	\$18,072,785
2	National Life, U. S. A.	1868	60	16,958,234
3	Federal Life	1900	28	16,112,974
4	Illinois Life	1893	35	14,893,371
5	Continental Assurance	1911	17	13,722,608
6	Peoria Life	1908	20	10,546,510
7	Life & Casualty Co.	1926	2	10,183,295
8	Franklin Life	1834	44	7,109,361
9	Mutual Trust Life	1905	23	6,917,766
10	American Bankers	1907	21	6,114,465
11	Old Colony Life	1937	21	4,832,812
12	North American Life	1907	21	3,517,400
13	Abraham Lincoln Life	1920	8	3,433,533
14	Central Life of Ill.	1907	21	3,410,727
15	Peoples Life of Ill.	1908	20	3,306,482
16	Mississippi Valley	1927	1	2,580,732
17	Cosmopolitan Life	1927	1	2,395,000
18	Victory Life	1924	4	2,298,017
19	Twentieth Century Life	1927	1	2,277,704
20	Rockford Life	1910	18	2,206,947
21	Springfield Life	1924	4	2,107,839
22	Washington Fidelity	1926	2	1,656,273
23	Liberty Life	1921	7	1,499,525
24	Citizens National	1927	1	1,017,654
25	Northwestern Union	1923	5	706,603

In other words, the CHICAGO NATIONAL LIFE made a better production record in Illinois in its sixth year than was made by any other Illinois company, the majority of whom are from two to ten times older than it is.

The preference thus shown for the CHICAGO NATIONAL LIFE by people in a position to know it best is an advantage that should appeal to agents. Open territory for General Agents in Illinois, Indiana, Iowa, Kentucky, Missouri and Kansas.

CHICAGO NATIONAL LIFE INSURANCE COMPANY

202 South State Street Chicago, Illinois

Write A. E. JOHNSON, General Manager

COMPETENT AND RESPONSIBLE AGENTS

Here is a frank statement, which should attract the attention of those already engaged in the profession of life insurance selling, as well as those who contemplate such a career, since it is a candid declaration of a cardinal principle "The Northwestern Mutual Life Insurance Company believes that each policyholder needs, and is entitled to, a service which can be obtained only from personal negotiations with a competent and responsible agent."

It is the bounden duty of a life insurance company to see to it that

its agency representatives are competent and responsible, and to that end, The Northwestern Mutual Life Insurance Company applies every effort in the way of education and support. It requires its agents to fulfill their mission as expert advisers and counselors in the matter of *Life Insurance Programs*.

Life Insurance Programs constantly change. The obligation of an agent does not cease with the delivery of a policy. His most expert advice may be needed thereafter, for conditions and the needs

of policyholders constantly change. Continuous, personal service is necessary to successful salesmanship.

Life insurance agents are successful in proportion to their preparedness. If they know the principles of life insurance and understand its exemplification by the company they represent, they are assured of success. **There is great opportunity in Illinois — with a certain guaranty of ample compensation—for active, capable, and unselfish life insurance agents.**

The Northwestern Mutual Life Insurance Company
Milwaukee, Wisconsin



Big Business— In the Far West

PERHAPS you are not aware of just how much life insurance was placed last year by all companies in the three Pacific Coast States.

Washington . . .	124 millions
Oregon	65 millions
California . . .	456 millions

ARE you ambitious to build a profitable general agency of your own somewhere on the Pacific Coast where the weather and roads will permit you to work every day in the year?

WE have some splendid opportunities for men of good character and proven ability. Our general agency contracts are unusually liberal and our policy forms are modern in every respect.

Write and tell us about yourself. Maybe you are just the man we are looking for.

NEW WORLD LIFE INSURANCE COMPANY

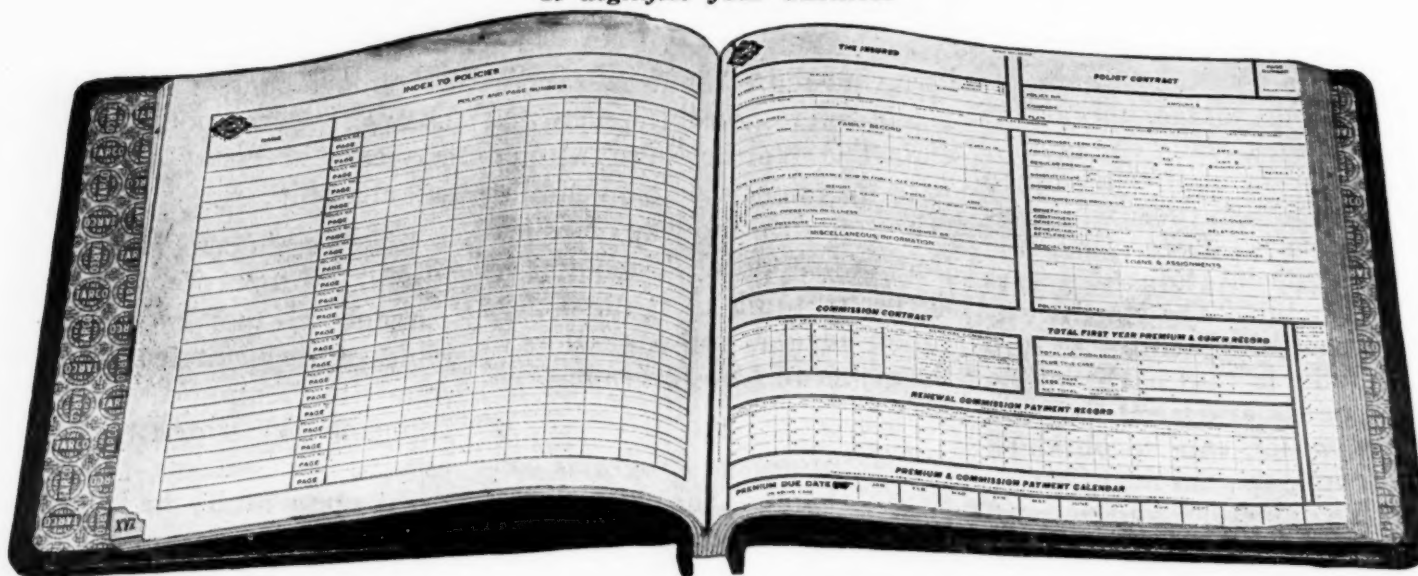
SPOKANE

WASHINGTON

Why Experiment?

Get Your Work Organized

Use the Standardized

DALLWIG POLICY AND COMMISSION RECORD*"It dignifies your business"*

The DALLWIG RECORD for life insurance salesmen is more than a "Policy Register" of your written business—it is a complete record of your Life Insurance business with no duplication of effort. Each sheet is automatically a recapitulation of all preceding written business. You use one sheet for each policy. The binder is specially designed to meet the requirements of a permanent Record. It is a Center Lock Sectional Post Binder and bound in full imitation brown leather with gold stamping, including your own name in gold on the front cover as illustrated.

With years of such highly satisfactory service that leading Life Insurance Salesmen everywhere are using it; many Life Underwriter Associations are endorsing it and Life Insurance Schools have adopted it as standard—the DALLWIG RECORD has been standardized to meet the requirements of agents for any company. The standard outfit is an attractive addition to your desk; the last word in efficient records and quick service; and at a price within the reach of every salesman.

Ask the NATIONAL UNDERWRITER SALESMAN at the Convention to show you the Dallwig Record.

TEAR OFF THIS COUPON AND MAIL TO-DAY—



P. G. Dallwig,
2300 Bankers Bldg., 105 W. Adams St., Chicago.

Send me the whole story about the Standardized Dallwig Policy and Commission Record. Also send price list.

Name
Street
City State N. U. D. 1928



YOUR OPPORTUNITY TO MAKE MORE MONEY

By Representing the

GREAT REPUBLIC LIFE INSURANCE COMPANY

of Los Angeles, California



GREAT REPUBLIC LIFE BUILDING
EIGHTH AND SPRING STREETS

This progressive Western company has a number of General Agency openings in Texas, Oklahoma, Arkansas, Missouri, Kansas, New Mexico, Arizona and California.

Surprisingly liberal agency contracts, with respect to both First Year and Renewal Commissions. Active co-operation from Home Office, combined with personal assistance in organization and development of agencies, are features of its service in the field.

Great Republic Policies include Juvenile, Ideal Savings, Select Risk, and Monthly Income, as well as a full line of other forms of contracts, with usual Extra Benefits.

AMBITIOUS LIFE UNDERWRITERS DESIRING TO BUILD A PROFITABLE FUTURE WITH A GROWING COMPANY SHOULD TAKE ADVANTAGE OF THIS OPPORTUNITY NOW.

For full information communicate with

W. H. SAVAGE Vice President
1300 Great Republic Life Building

756 S. Spring St.,

LOS ANGELES, CALIFORNIA

Say Bill—

Read this month's issue of the A & H Review yet Don't take it? Why, I'd feel that I was doing an injustice to my business if I missed a single issue. Its chock full of the things that keep you among the doers and go-getters of the Health and Accident business. You can get a sample copy for 20c or better still subscribe for a year—it costs you only \$2.00 and you'll thank me before you have read the first six. Send your sub. to

The A & H Review

175 W. Jackson Blvd.

CHICAGO

WELCOME

National Association of Life Underwriters.

The Detroit Life Insurance Company welcomes you to "Dynamic Detroit." The latch-string is out to you and your guests.

We hope that your stay in our city will be a pleasant and a profitable one and that it will be productive of many happy memories to be cherished in the years to come.

We invite you to visit our Home Office, located on Park Avenue at Columbia Street. Please feel free to use the facilities of our office for any service that we can render to you.

Over \$75,000,000 insurance in force on the lives of our Michigan policyholders. Desirable agency opportunities in Detroit and Michigan territory.

DETROIT LIFE INSURANCE COMPANY

"The Company of Service"

M. E. O'Brien, Pres.

Home Office, Park Ave. at Columbia, Detroit

Name Age

Address

Insurance Experience

Territory Desired

The above information will be treated in confidence, and will bring you information as to whether the territory is open and full particulars about the General Agency opportunities with this Company.

A. L. Key, President

J. M. Mitchell, Agency Manager

THE VOLUNTEER STATE LIFE INSURANCE COMPANY

Chattanooga, Tennessee

Faithfully Serving Insurers Since 1903

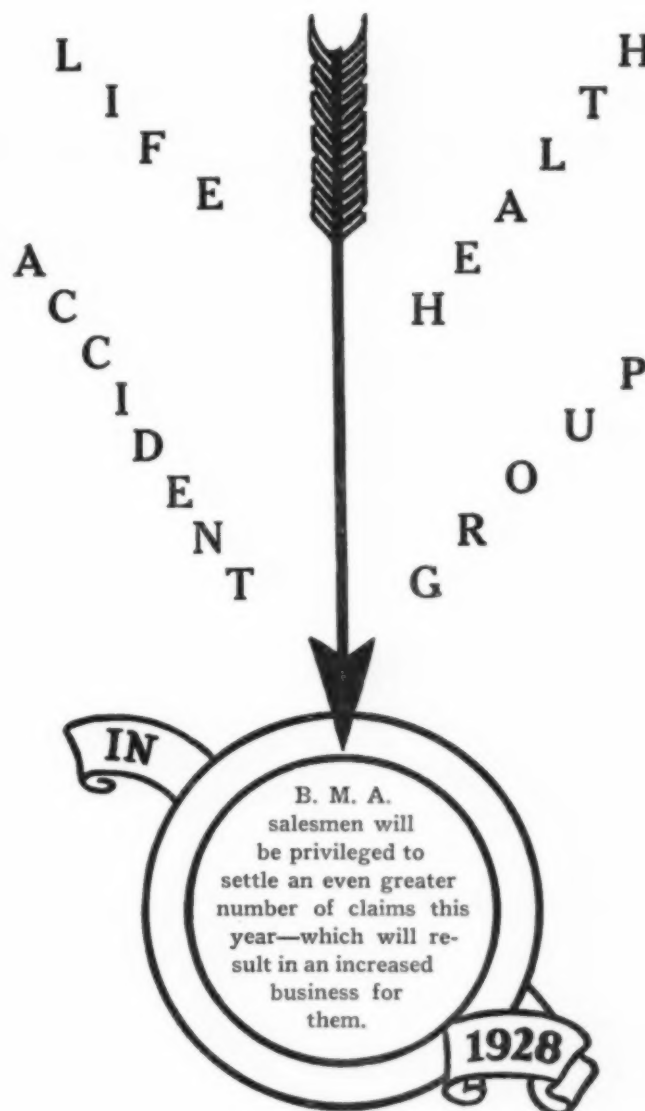
Operating in Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas and Virginia.

BNU

If you read but one-fourth of each issue of "The National Underwriter" you would be getting your money's worth with a vengeance.

B. M. A. Salesmen Enjoy Prestige

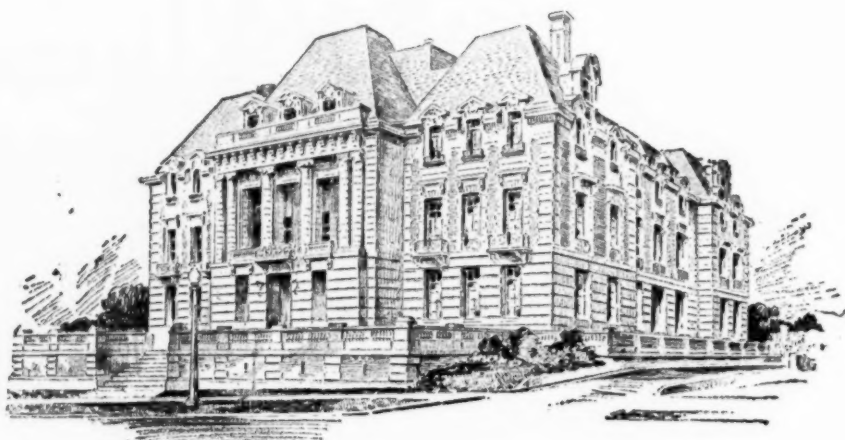
Of the 31,517 claims paid policyholders and beneficiaries of the Business Men's Assurance Company in 1927, the great majority of them were paid by the salesmen themselves. This gave them a prestige that won for them many prospects and much additional business among old policyholders.



Business Men's Assurance Company

W. T. GRANT,
President

Kansas City,
Missouri



New Home Office Building at 3663 Lindell Boulevard Occupied Solely by the Company

Central States Life

Insurance Company

SAINT LOUIS

Issues Policies at All Ages, 1 to 70. Both Participating and Non-Participating. Children's Policies with Waiver of Premiums Benefit to Parent. Double Indemnity. Disability Benefits, Dis-
memberment and Surgical Benefits. Special Monthly Premium
Sight Draft Plan. Non-Medical. Sub-Standard. Sales Planning
and Circularization Department. Producer's Club. Spirited Home
Office Cooperation.

Available Territory In

ARKANSAS, CALIFORNIA, COLORADO, FLORIDA, ILLINOIS, IDAHO, IOWA,
KANSAS, MISSOURI, MONTANA, MINNESOTA, NEBRASKA, OKLAHOMA,
OREGON, NEW MEXICO, SOUTH DAKOTA, TEXAS, UTAH AND WYOMING

WRITE DIRECT TO HOME OFFICE

THE FEDERAL LIFE INSURANCE COMPANY'S REMARKABLE PROGRESS CONTINUES:

The many insurance and other friends of the Federal Life Insurance Company will be gratified to know that the Company's remarkable progress and development continues, and that it is now on the way, its life insurance in force and its accident and health premiums in force considered, toward becoming a \$300,000,000 institution.

No company is better known to the reading public of the United States than the Federal and its mantle of protection daily is being extended over additional homes.

Its agency force rapidly is increasing because of the fine opportunities it has for capable, reliable and industrious workers, but it does not endeavor in any way to proselyte the representatives of other companies. When high class men voluntarily apply to the Federal for a connection it is willing to welcome them when it has a suitable opening just as it is willing to bid "Godspeed" to any of its representatives who, for any reason, at any time, find it advantageous to become identified with some other organization.

FEDERAL LIFE INSURANCE COMPANY

Isaac Miller Hamilton, President

168 North Michigan Avenue, Chicago, Ill.

Assets over \$11,000,000

Established 28 Years

A GOOD REASON

What does one agent
Want with two (2) copies
Of The National
Underwriter?
That's easy. He says
He finds it pays
Him to read a
Little on life
Insurance before he
Starts out so that his
Mind will get a new
Slant for the day. Thus
He keeps from going
Stale on his canvass.
He subscribes for one
Copy at his home and
One at his office
So that no matter
Where he starts from
He has at hand
The newest thought
And the most stimulating
Ideas of men
Whose problems are like
His. He finds best
Results are secured
When his mind has been
Busy with insurance thoughts
Before he reaches
The Prospect. And that
Is why he takes two (2)
Copies of the greatest
Life Insurance Weekly—
The National Underwriter.

YOU
CAN
DO
WITHOUT
THE
ACCIDENT
& HEALTH
REVIEW

IF
YOU
DON'T
WRITE
THE
DISABILITY
LINES

Otherwise

You can't afford to miss a single issue. Just send your name and O. K. to the A & H Review, 1362 Insurance Exchange Bldg., Chicago, Ill.—Your subscription will start immediately and you'll receive your bill for \$2 later.

ROYAL UNION LIFE INSURANCE COMPANY

DES MOINES, IOWA



Royal Union Life Building
Cor. Seventh and Grand Ave.,
Des Moines, Iowa

Policies for the Entire
Family!

The Royal Union offers policy contracts at every age from one day old to age 60.

Our Juvenile policies, written on children as young as one day old, go into full benefit automatically at age 5 without re-examination—a big winner!

We write women on equal basis with men.

We feature a special low-rate policy to business and professional men.

ROYAL UNION LIFE INSURANCE COMPANY

DES MOINES, IOWA

A. C. TUCKER, President



Portals of Protection

THERE should be nothing uncertain, nothing left to chance, in a contract primarily designed to indemnify against the risks of uncertainty.

The policies issued by this company are distinguished by liberal provisions, low premiums, and guaranteed values.

The Life Insurance Company
of Virginia

Chartered 1871

John G. Walker
Chairman of the Board

Bradford H. Walker
President

Richmond, Va.

Celebrating Its

80th Anniversary

and looking strongly toward

More Agents

Greater Business

UNION MUTUAL LIFE INSURANCE COMPANY

PORTLAND, MAINE

The LAFAYETTE LIFE Insurance Company LAFAYETTE, INDIANA



COMPANY'S BUILDING

OPERATING IN

Michigan Ohio Indiana Kentucky Illinois
Iowa Missouri Kansas and Nebraska

W. W. LANE, Secy.-Treas.

A. E. WERKHOFF, President

W. R. SMITH, Supt. Agencies

□ ■ □

GREETINGS!

To Those Who
Labor For The
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The Home,
The Aged,
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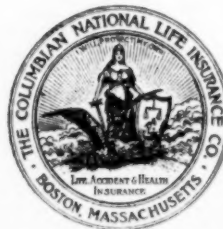
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Correspondence welcomed by Agency
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The National Underwriter

LIFE INSURANCE EDITION

Varied Uses of Insurance Told

CLARK IS LIKELY TO BE PRESIDENT

AGREEMENT REPORTED ON OFFICIAL ROSTER

Men Proposed for Various Posts Have Long Been Active in Association.

*Convention Headquarters,
Book Cadillac Hotel, Detroit, Sept. 13*

While the nominating committee, the members of which were selected on behalf of the various local associations represented at the convention at the close of Wednesday morning's session, has not yet made public its report, it is understood that a tentative agreement was reached on a proposed slate of officers at a luncheon conference of the committee members yesterday, and that the report probably will recommend the election of Paul F. Clark, of Boston, as president; S. T. Whatley, Chicago, vice-president; C. C. Day, Oklahoma City, first vice-president; George W. Ayars, Los Angeles, second vice-president; E. S. Brashears, Washington, D. C., third vice-president; E. J. McCormack, Memphis, Tenn., fourth vice-president; Ernest W. Owens, Detroit, secretary, and Charles A. Foehl, New York, treasurer.

Clark Active Factor in Association Affairs

Paul Clark is general agent of the John Hancock Mutual Life in Boston and has built up a remarkable agency organization there in only a few years' time. He is not now on the official roster of the National association, but has held various official positions in the past and has been very active in association affairs. His friends wanted to present his name for the presidency last year, but he would not allow it, as the expansion plans just undertaken by his agency would not allow him to give the necessary time to the affairs of the association.

S. T. Whatley, general agent of the Aetna Life in Chicago, is a newcomer to the National association official ranks, but has been very active in the Chicago association and is now serving as its president.

Day Is Retained in His Present Post

C. C. Day, of Oklahoma City, is general agent for the Pacific Mutual Life and conducts there what is regarded as one of the outstanding agencies in the Pacific Mutual organization. He is now serving as first vice-president, having entered the official ranks for the first time this year, and is the only one of the present officers, except the treasurer, who is proposed for re-election.

George W. Ayars demonstrated his ability as an organizer by his handling of the Los Angeles convention of the National association four years ago. He was serving at that time as president of the Los Angeles association. He was then carrying a rate book, but shortly afterward took up supervisory work for

HIGHLIGHTS FROM ADDRESSES

GIVEN AT THURSDAY'S SESSION

Where are we going to find a rallying ground for the improvement in the business except in the National Association? An enlightened public is going to demand an enlightened and enlightening salesmanship.—Roger B. Hull, managing director National Association.

I am the servant of humanity, helping men by my advice and service to overcome the uncertainties of life, enabling one generation to hold out a helpful hand to the next and serving most truly my fellow man and carrying out the divine purposes of God. That is what I would call my interpretation of the life underwriter's creed, an interpretation of our calling.—J. J. McSweeney, former president Life Underwriters Association of Canada.

"An ambassador of thrift and an advance agent of prosperity," I think that term fairly fits the work you are doing.—Clarence L. Ayres, representing American Life Convention.

The American agency system is at once our greatest strength and likewise our greatest weakness, because the thing that deters us yet is the inefficiency of the agent and the thing that puts us forward most is the efficiency of the agency system, considering the agent collectively.—Frank L. Jones, vice-president Equitable Life of New York.

Life insurance is one of the greatest factors in the development of our economic life today. The most valuable collateral a man can have today is a life insurance policy on which he has paid his premiums.—Thomas C. Hennings, chairman insurance trust committee, trust company division of the American Bankers' Association.

In arranging settlement plans for life insurance, keep them simple. Don't let your client leave a lawsuit instead of an income.—A. Rushton Allen.

the Phoenix Mutual. In a former term as a vice-president of the National association he did yeoman service for the organization.

E. S. Brashears is general agent of the Union Central Life in Washington, and presented the invitation on behalf of that city which resulted in the executive committee selecting it as the next convention city.

Two Convention Committee Chairmen Are Honored

E. J. McCormack is general agent of the Minnesota Mutual Life in Memphis, and as chairman of the general convention committee for that city was largely responsible for the success of the National association convention there last year.

Ernest W. Owens, general agent for the Sun Life of Canada in Detroit, is serving in a similar capacity this year and has won universal praise for his handling of the arrangements for this convention. He is a man of dynamic personality, who has been in great demand as a speaker.

Charles A. Foehl, general agent for the Prudential in New York city, is now serving as treasurer of the National association, and probably will continue to do so as long as he can be persuaded to accept that responsible post.

Furness Assistant Editor

F. N. Furness, the new assistant editor of the National association's "Association News," appeared in Detroit for the first time. Mr. Furness is known in other fields, numerous articles having appeared in recent national magazines from his pen. He is particularly known as a dramatic critic. Mr. Furness succeeds Major G. W. Camp, who has assisted Mr. Ensign in recent years in covering the convention for the association's magazine.

TRUST IDEA IS FEATURE TOPIC

USE IN BUSINESS AND TO PROTECT HOME TOLD

Stressed by Hennings, Allen and Stevenson—Hull Looks Into Future.

*Convention Headquarters,
Book Cadillac Hotel, Detroit, Sept. 13*

Trust company cooperation was prominent on the Thursday morning program of the National Association of Life Underwriters, the interrelation of life insurance and fiduciary trusts being mentioned in some way by the majority of the speakers. Franklin W. Gause, of Boston, opened this theme directly in his brief talk introductory to Judge Thomas C. Hennings, of St. Louis, chairman of the insurance trust committee of the American Bankers' Association. Mr. Myrick added comment on this idea. President Thomas R. Preston, of the American Bankers' Association, was quoted as saying: "We bankers believe in life insurance. Carry all you can afford—and protect it by a life insurance trust," this being in a new poster just distributed to member banks nation-wide. Judge Hennings gave a formal address on the life insurance trust. A. Rushton Allen, of Philadelphia, discussing conservation of proceeds, spoke extensively of the trust agreement. Dr. John A. Stevenson, in the concluding address of the morning, continued the thought by reference to the value of the trust in conserving the interests of the home.

Judge Hennings Spoke For Trust Companies

Judge Hennings, in the chief consideration of this subject, spoke for his institution and all banks in deploring a competitive attitude. He said that there is no competition, but cooperation, the two institutions having a community of interest which should be developed hand in hand. The judge said that trust men turned to this new plan because they found too little life insurance written on the installment plan. They gave attention to conservation work and thus linked together the two institutions. Judge Hennings said that trust men are the natural ones to approach when going over financial needs and life insurance, and when the agent backs his proposition with the local influence of the banker he gives prestige to his position. Life men were urged by the judge to aid in putting this country, as is England, on an income basis. He said men should not think in lump sums but in income. Tribute was paid to life insurance as the greatest factor in economic development today.

Julian Myrick, commenting on Judge Hennings' talk, told of the tremendous growth of trust business, giving figures to show that in 1927 the funds placed

(Continued on Page 16)

COOPERATION PRAISED

Charles G. Taylor, Jr., representing the Life Presidents' Association, who was scheduled to present greetings from that organization at the Thursday session, was introduced Wednesday afternoon, because of the fact that he had to leave the city. In presenting him to the convention, President Myrick paid high tribute to the cooperation received from the organization that Mr. Taylor represents, and the latter in his talk gave equal credit to the Life Underwriters Association.

He read from a statement made in 1871 at the organization meeting of the National Convention of Insurance Commissioners, extolling the marvelous heights which had been reached by life insurance in this country, and wondered what the author of that statement would say if he reviewed the figures of the business today.

He lauded the man in the field as the backbone of life insurance, often unknown but doing a great work for humanity.

Breakfast for Special Guests

A breakfast was given Thursday morning for the officers of life companies and representatives of affiliated life insurance organizations who were in attendance at the convention and for the officers and trustees of the National association. There was no speaking program. President Myrick spoke very briefly, calling especial attention of the life company representatives to the plans now under consideration for institutional advertising, which were also discussed very briefly by Paul F. Clark.

Fitting Into Economics of Home

GREATEST DRAMA IS ESCAPE FROM WANT

FITTING INSURANCE INTO HOME ECONOMY

Cover Obvious Needs First, Then Present Program.

By JOHN A. STEVENSON,
Home Office Manager Penn Mutual

A new book which I have been reading recently, "This Economic World," by Thomas Nixon Carver, professor of political economy at Harvard university, opens with this sentence: "Instead of being the dismal science, economics is the most fascinating subject in the world because it has to do with the greatest of all dramas—that of man's escape from want."

As the book goes on to state, the essence of all drama is escape or at-

tempted escape either from the plots of a personal villain, such as the stock black-mustached character of moving-picture fame or from a villainous combination of circumstances which we call fate. For example, the stories of universal appeal from "Jack the Giant Killer" to tragedies like "Julius Caesar" are stories of escape or attempted escape. More really thrilling, however, than any drama of the stage is the story of man's struggle to escape from want. In this sense, of course, the escape from want represents not only the struggle to escape from the "wolf of hunger" but man's struggle to gain control of circumstances which have overwhelmed the lower forms of animal life. In the part of the drama which is being played today, therefore, insurance is bound to take a leading role.

Lived on What Nature Offered

When we speak of the "place of life insurance in the economy of the home," we are speaking, of course, of life insurance as a practical system of adjusting certain means to certain ends. Viewed in this light, we can readily see why under modern conditions a system of this kind is essential.

Savage man lived a good deal as do his lower animals—on what nature

offered him, with little thought of the future. Higher up on the scale were the men of tribal groups who spent much of their time in solitude, hunting, fishing, in tilling the soil, but who depended on the clan for the protection of themselves and their offspring. When, however, we come to the part in human history where we see the family take its place as the most important unit in the social structure and when this family is dependent for its existence on the monthly wage, then we come to the point when life insurance must begin to play its part if, in the drama of existence, the individual family is to escape from want.

Question of Equal Opportunity

Long ago we discarded the idea expressed by the writers of the declaration of independence that "all men are created equal" but if we attend many political meetings in the next two months we are going to hear over and over the statement that this great country of ours offers to all an equal opportunity. This may be true from one point of view but let us consider the idea from this standpoint:

Suppose two swimmers at the same time and from the same place started to cross the English channel. Conditions as far as weather, temperature, etc., were concerned would be the same and, therefore, we might say that the two swimmers had an equal opportunity of reaching the other side. However, if one swimmer was in the pink of condition and had been thoroughly trained by a competent instructor and the other was not in first-class condition and inadequately trained, would we say that the opportunities of reaching the other side were equal? Strictly speaking we should say that actual opportunities were equal but actual conditions unequal. The man who was in poor condition and who lacked training might possibly succeed when the other man might fail but, at the same time, he would start out with a handicap.

We may take the view that this country does to a large extent provide equality of opportunity, but we must admit that inequality of condition does exist. Also, we must admit that the members of a family who are left destitute because of the death of the wage earner face the struggle for existence under conditions which must act as a handicap. The necessity of overcoming the handicap of poverty may act as a spur in some cases but I think you will agree that in by far the greater number of cases it acts as a heavy drag. As Woodrow Wilson stated: "Necessity is no mother to enthusiasm . . . and it is enthusiasm which sets the powers free."

False Glamor About Working Through College

Take the case of the boy whose father's death cuts off the income that would have provided the college education which he wants and which is becoming more and more of a necessity in these days of keen competition. Equal opportunities are offered by the college to this boy as to all students,

but he is handicapped in taking advantage of these opportunities. We all say, of course, in a situation of this kind that if he has any backbone he will work his way through college, but let me read you a statement on this subject by Professor William Bennett Munro, one of the greatest educators in the country:

"There has been too much deification of the boy who works his way through college. It is natural, in a democracy, that this should be the case. A few fellows derive benefit from the experience of having to earn their way, but the vast majority do nothing of the sort. To them it simply means that these plastic years of young manhood are clouded by financial anxieties which haunt the soul and depress the spirit. It involves a denial of leisure moments at a time when these would be of the highest value. It compels the student to cut corners, to forego many cultural advantages which the college environment provides, and sometimes to undermine his health as well. Many a man does not learn real cost of working his way through college until he has passed into the fifties. Then he finds that there are prematurely frayed-out nerves to be entered on the debit side of the account. It is my conviction, after having taught more than 10,000 college students during the past quarter of a century, that nine-tenths of those who had to earn their way to a bachelor's degree would have been far better off without any such handicap."

Each Family Represents Individual Situation

It is not easy to offer a general answer to the question of what constitutes adequate provision for a family in order that their financial condition may not act as a handicap. Consequently, it is far from easy to offer a general answer to questions such as how much insurance a man should carry and what part of the family income should be set aside for insurance which hinge on the question of adequate provision.

A recent investigation of the incomes of 4,000 families in five English industrial towns revealed the fact that of the total number studied, only 5 per cent were the so-called standard or typical family of the ordinary budget book; namely, a family in which there is an employed husband with a wife and three children dependent upon him for support. Each family represents an individual situation with individual needs and a man's financial responsibility to his family depends upon the needs created by the scale of living set by his earning power.

The only logical way of answering the question of how much insurance a man should carry in the individual case, therefore, in order to fulfill his responsibilities to his family, is to find out whether the sources of income on which his family would have to depend would be sufficient to meet their present expenditures. If not, then adequate life insurance would represent the amount necessary to replace the deficit in income.

Cover Most Urgent Needs First

The trouble is that most men aren't in a position to say, "All right, I'll take enough insurance to give my family the income they have now." Obviously, then, the only sensible thing to do is to go over his situation and to cover his most urgent needs first. Most men can arrange to buy enough insurance

to cover the most urgent needs and will arrange to buy this amount if they view insurance as the one way by which they can make it possible for their families to face the struggle for existence unhandicapped by inadequate financial protection.

Needless to say, leading the public to appreciate the proper place of life insurance in the economy of the home requires a little judgment on the part of the life underwriter in the individual case. If the roof of a man's house leaks he is interested in having the roof fixed, but, in most cases, doesn't want to study first a statement showing all the repairs that should be made on his house to put it in first class condition. Suggestions for further repairs are in order after the roof has been fixed, but the leak in the roof should be attended to first.

In the same way, if a man has a definite need for life insurance, such as the need to provide at least enough for his family to live on during the years after his death, or the need to cover a mortgage, it isn't difficult to make him see the value of insurance in



J. STANLEY EDWARDS, Denver
Former President National Association

meeting this need. After this need has been attended to is the time to picture to him the idea of a complete insurance program, in building which the insurance he has taken represents the first step.

Able to Buy Enough For His Family

You may think I am leading up to the point where I am going to preach the gospel of the strictest household economy in order that every penny may be saved for the payment of life insurance premiums to meet a man's needs. In my opinion, however, we are looking at life insurance through the wrong end of the field glass if we take this view. That is, instead of seeing it through the right end of the glass and obtaining a close view of a magnificent and stupendous plan for aiding the human race in what Professor Carver calls the escape from want, we view it through the wrong end when we see it merely as a method of making you save money against your will.

You may have noticed in a New York paper a few days ago the advertisement of a large trust company telling of a salesman whose family's expenses were about \$13,500 a year, but who discov-

ered that his investments in case of his death would give them only about \$1,500 to live on instead of the \$18,000 which his earning power gave them at the present time. He, therefore, took enough insurance to provide for them, through an insurance trust, a guaranteed income of \$500 a month.

Presents Only Intelligent Answer to Problem

In this case, insurance made it possible for him to eliminate worry about fulfilling his obligation to his family and, relieved at the same time of both worry and the necessity of putting by all his surplus in order to create an estate for his family, his additional funds were released for investment. If, therefore, when we view insurance as a method of enabling a man, as someone has said, "to pay his saving bills first" rather than merely as a method

a government certain amounts are set aside from yearly income to meet certain definite obligations. The end in view is not only to make sure that these obligations will be met but to enable those who are responsible for the finances of the business or the government to ascertain what funds will be available for other advisable but less essential expenditures.

Life insurance makes it possible to follow this same system in planning the expenditures of the home. In other words, a definite sum set aside for life insurance makes sure that certain obligations which a man owes to his family will be met, and, at the same time, with funds for these obligations assured, funds are released for other expenditures.

In considering the vital part played by life insurance in the economy of the home, we naturally think in terms of material or tangible values. But there are intangible values to be derived from the proper application of the life insurance principle which may be of equal importance.

Robert Burns Found Burdens Heavy

Many of you may have read a letter written by Robert Burns, the Scottish poet, shortly before his death in which he says:

"There had need be many pleasures annexed to the status of husband and father, for, God knows, they have many peculiar cares. I cannot describe to you the anxious sleepless hours those ties frequently give me. I see a train of helpless little folk here, and my exertions all their stay: If I am swept off at the command of fate, when in all the vigor of manhood as I am—such things happen every day—gracious God, what would become of my little flock? 'Tis here I envy you people of fortune: A father on his death bed, taking an everlasting leave of his children, has woes enough; but the man of competent fortune leaves his sons and daughters independency and friends . . . but I shall run distracted if I think any longer on the subject."

I am reading this letter because I think it shows the unseen and intangible values which may be derived from the life insurance investment as clearly as your rate books show the material and tangible values. In the one case we speak of the possible returns in terms of dollars and cents; in the other, in terms of happiness and peace of mind.

Show How Insurance Fits Individual Needs

It is not necessary, I know, to explain how this idea of life insurance as a method of eliminating worry about future responsibilities may be translated into something you can use in leading the public, particularly potential buyers, to appreciate the value of life insurance in the economy of the home. You all realize the value of presenting the life insurance idea in terms of a man's individual needs for, of course, if a man sees his life insurance in terms of what it will do for the members of his own family he is far more likely to provide adequate protection for his beneficiary. If, then, in addition to showing a man how insurance will enable him to carry out his plans for his family you can also show him how insurance will eliminate one of his principal causes of worry, thus increasing his efficiency, you can easily see the added advantage.

A modern home is not, in reality, using up-to-date facilities if it fails to make use of the wonderful distinctive service offered by modern life insurance in safeguarding the family from financial tragedy and increasing efficiency by the elimination of worry. We may read all the articles appearing in the

TRUST COMPANIES ARE COOPERATING

MUCH PROGRESS MADE IN LAST FEW YEARS

F. W. Ganse, Boston, Chairman of Trust Company Committee, Reviews Growth.

The report of the Committee on Cooperation With Trust Companies and Banks, presented by Franklin W. Ganse, of Boston, chairman, reviewed the progress which has been made along that line. The report said in part:

"The adoption of the mutual cooperative resolutions which have been taken up so widely as issued in card form by the National association was an outstanding event in this field. We believe that it is possible to use these resolutions in many effective ways, but particularly, of course, in having them displayed as widely as possible in trust officers' and life underwriters' offices. These resolutions are very simple and straightforward and constitute a sort of constitution or Magna Charta or set of fundamental principles for cooperative work between the two factors so widely interested in life insurance trusts and allied matters.

What Has Been Done in New York City

"Based on such principles as these, more detailed codes or rules can well be worked out in individual localities, a notable illustration of which is what has been done in New York City in the statement of general principles for cooperation adopted by committee representing the Life Underwriters Association of New York and the Corporate Fiduciaries Association of New York City. All of our members who are interested in this phase of life underwriting should secure and study this document.

"The program of the Life Trust Round Table of Philadelphia is something of the same sort and that organization has had very important meetings and has undoubtedly done much to advance the cause in that city. The address given before this organization by W. Herrick Brown, assistant vice-president of the Old Colony Trust Company of Boston, contains many wise suggestions and offers a fine basis for understanding and study on the part of life underwriters. The addresses made at the joint New York meeting in May are also well worthy of study.

Trust Company Organizations Listed

"The committee heartily recommends that joint approach to the problems of cooperation and joint activity so far as possible be inaugurated between local life underwriters' associations and local fiduciaries association. Such associations exist in the following named cities or state, and it would seem that no better work can be done during the next season than to endeavor to try to draw these local organizations, both so vitally interested in estates, in service to estates, as nearly together as

various magazines devoted to home economics which discuss methods of increasing the efficiency of the home by mechanical and artistic improvements; we may read all the books published on home economics dealing with scientific methods of managing the home. In none of them, however, shall we find a plan mentioned which can do more to promote the welfare of the home than the unique service which you have to offer; and nowhere can we find a service which will do more if adequately and intelligently used.

possible in the work of approaching those who need such service.

Long Beach, Cal.—The Trust Officers Association of Long Beach.

Los Angeles—The Association of Trust Officers of Los Angeles and vicinity.

San Francisco—The Associated Trust Companies of Central California.

Denver, Colo.—Denver Trust Officers' Association.

New Haven, Conn.—The Corporate Fiduciaries Association of New Haven.

Georgia—Trust Department Committee of the Atlanta Clearing House Association.

Chicago—Corporate Fiduciaries Association of Chicago.

Indianapolis—Indianapolis Fiduciaries Association.

Kansas—Trust Company Division, Kansas Bankers' Association.

Louisiana—Trust Department Committee of the New Orleans Clearing House Association.

Maine—Corporate Fiduciaries Association of Maine.

Baltimore—Corporate Fiduciaries Association of Baltimore City.

Massachusetts—Massachusetts Trust Company Association.

Boston—Corporate Fiduciaries Association of Boston, Mass.

Michigan—Michigan State Fiduciaries Association.

Minnesota—Trust Officers' Association of Minnesota.

St. Louis—Corporate Fiduciaries Association of St. Louis.

Kansas City, Mo.—Corporate Fiduciaries Association of Kansas City.

Omaha, Neb.—Omaha Fiduciary Association.

New Jersey—Bergen County Corporate Fiduciaries Association.

Newark—Fiduciary Section of Essex County Bankers' Association.

Buffalo, N. Y.—Corporate Fiduciaries Association of Buffalo.

New York City—The Corporate Fiduciaries Association of New York City.

Ohio—The Trust Companies Association of Ohio.

Oregon—Trust Companies Association of Oregon.

Scranton, Pa.—Corporate Fiduciaries Association of Scranton.

Houston, Tex.—Houston Corporate Fiduciary Association.

Utah—Trust Company Section of the Utah Bankers' Association.

Seattle, Wash.—Seattle Association of Trust Men.

West Virginia—West Virginia Corporate Fiduciary Society.

Wisconsin—Associated Trust Companies of Wisconsin.

Underwriters Need Do Only Their Part

It seems late in the day to emphasize, but we believe it should be constantly borne in mind, that we only need to do our part as life underwriters in cooperation for the service of estates and beneficiaries through life insurance trusts. That part does not necessitate the deep study of the problems of wills or trusts or taxation, but a sufficiently intelligent interest therein to those who need the service and by arranging for interviews between them and competent trust officers, with the life underwriter preferably present, because he is especially able to serve in his field just as the trust officer is in his field.

One of the great needs of our country which is rapidly becoming so wealthy and whose citizens are leaving good sized estates in larger and larger numbers, is the putting of those estates into the best possible order in advance of their creation by the death of the present owner. This is a field which we have only begun to occupy just as the trust companies and banks with trust functions have only begun to occupy their part of it. It is not remarkable that these two factors are cooperating. The wonder is that they have not gotten together long ago.



S. T. WHATLEY, Aetna Life President Chicago Association

of saving money, we recognize its true importance in the economy of the home.

We do not need scientific research such as the investigation reported in this month's issue of "Harper's Magazine" on "Marriage and Money" to convince us that the money question is the cause of a great deal of domestic unhappiness. In any number of families, for example, this situation occurs: The bills come in month after month and there is little margin for saving. The father of the family recognizes the fact that his wife is not extravagant, that she is managing much better than he could manage on the same amount of money, but the fact remains that they can save only \$30 or \$40 a month. They both feel that it will take forever to do anything worth while for their children if that is all they can save and they are unhappy. Yet you know and I know that \$30 or \$40 a month invested in life insurance would enable them to do something very substantial for their children, thus eliminating the cause of their unhappiness. In a case of this kind, life insurance presents the only intelligent answer to the problem.

In running a business or in running

One reason for this delay is the fact that modern life underwriting and modern corporate fiduciary service are both in their infancy and have only begun to function with broad intelligence and accuracy.

Advances Made Are Almost Unbelievable

The committee would probably be criticized if it picked out specific trust companies and trust officers for its admiration for their generous help. As a matter of fact, the resourcefulness, energy and money which are being poured into this effort by some of the great trust companies would have been unbelievable if predicted even two or three years ago. Let us at least appreciate these efforts and cooperate, each in our humble way, to the fullest extent possible. The mere use and distribution as far as we are allowed to do so, of some of the enlightening literature which the trust officers are issuing cannot help bene-



P. M. FRASER, New York
Connecticut Mutual Life

fitting estates and advancing the cause of life underwriting. A recent statement from a well-informed member of the Trust Company Division of the American Bankers' Association emphasized the fact that about 50 per cent of all the advertising done by banks and trust companies was on behalf of life insurance trusts. A letter just received from Reuben A. Lewis, Jr., secretary of the Trust Company Division of the American Bankers Association, contains the statement that the amount of life insurance deposited under trust agreements during 1927 was eight times as much as the total for 1923. This form of trust service is the fastest growing financial service of our day and we should be proud to have our part in it.

This committee expresses the appreciation of our entire fraternity at the remarkable cooperation which we are receiving at the hands of trust officers, and our hearty thanks for their friendly aid.

SERVICE OF TRUST COMPANY EXPLAINED

HOW IT APPLIES TO BUSINESS INSURANCE

Great Opportunities That Exist for Life Underwriters in That Field Told.

By THOMAS C. HENNINGS
Vice-President Mercantile Trust Company, St. Louis

It is not my purpose to discuss with experienced life underwriters the amount of life insurance written in the United States last year, nor how that amount compares with the total amount of insurance in force in this country 15 years ago. I know that you are familiar with the various forms of life policies and the optional modes of settlement provisions in them. Neither is it my province to discuss the rudiments of life insurance trusts with you, nor the general service rendered by the financial institutions of this country. I also assume that you understand the elementary points involved in the relationship existing between life insurance companies and trust companies in the development of insurance trusts. It has been stated and reiterated by the responsible trust men of the United States that the province of the trust man begins where that of the life insurance man ends. We are not competitive but co-relative.

Two Lines Did Not Operate Well Together

In the early days many companies were organized to do a combined trust and life insurance business, recognizing at that time the close relationship between the creation and conservation of estates. It was found that the two lines did not operate well together, and accordingly one type of company branched into the exclusive trust business and the other into insurance, and both have been successful under separate management. But jointly or separately throughout the years the trust companies and insurance companies have demonstrated that they are large public welfare institutions concerned in the development of habits of thrift and the prosperity and welfare of our people. Both organizations impress upon a man that, as the head of the family, he has definitely assumed responsibility for the support of his dependents, and that these dependents have a right to look to him during life and thereafter for adequate maintenance; that he must not only save money for old age, but that he must carry adequate life insurance to take care of his dependents.

Sales Resistance on Investment Angle

The fact that a comparatively small proportion of the proceeds of life insurance is provided to be paid under installment provision of the policy, and the inability of the beneficiary through lack of business experience and ignorance of investment principles to properly invest the proceeds, resulting in the loss of the fund, has caused some men to wonder whether or not it is worth while to deny themselves and save to pay insurance premiums when, after death, the proceeds of the policy is dissipated. This has set up a sales resistance which it is difficult to overcome. Trust men, whose duty it is to conserve estates, gave the matter earnest consideration, resulting in the earnest study of the life insurance trust.

While life insurance trusts have been written over a period of about 40 years, the development of the idea was not pushed, but in the last six years there

has been an active revival of interest, resulting in practically all of the financial institutions of the country having trust departments advocating the creation of an adequate insurance estate to take care of dependents, and also the insurance trust as a method of conserving the proceeds.

Too Little of Savings Goes for Life Insurance

It is estimated that in this country, last year, the excess of earnings over actual living needs amounted to approximately \$15,000,000,000. A part of this excess is being used to purchase that which in former years was denominated as luxuries, such as automobiles, musical instruments and radios. A large part of it is going into savings accounts, which have made a remarkable increase in the last ten years. A part, but not enough, is used to purchase life insurance. After creating a taste for so-called luxuries, men now consider the necessity of maintaining their families in comfort, in order that they may enjoy the things to which they are accustomed. And when his family's needs are called to his attention, his ambition is aroused to own an estate and safeguard his family in case of death, and he knows that insurance is an automatic method of accumulation, eliminating the investment risk; that he must not give his family a shower of money, but must think in terms of income and not lump sums. While he may feel that he is adequately insured when carrying \$25,000 or \$30,000 insurance, when he is told the amount of income the insurance will produce, he realizes at once that, while the lump sum may be considered large, the income is small and inadequate and will not meet the family needs. We would all be more secure if the heads of families followed the English system of considering property values from an income standpoint and not in the terms of whole values.

Insurance Men Given New Method of Approach

The trust companies throughout the country are persistently and consistently, through the newspapers, direct mail and bill boards, advocating adequate insurance; and with the large financial institutions advertising, in a friendly way, their belief in life insurance, an insurance man is given a new method of approach, with an opportunity to stress the fact that he is not selling a commodity but a service which is recognized as a great economic factor by the large financial interests of the country as a stabilizer of the family and of business.

Our customers discuss the condition of their affairs with us, their trials, hopes and ambitions; they take us into their confidence and discuss the condition of their assets, their liabilities and their insurance. We analyze their securities, separate the quick from the slow, suggest diversification, consider the property from the standpoint of producing cash, in case of death, for debts, administration expenses and inheritance taxes. We develop an investment program which in most cases includes additional life insurance. When man gets into touch with his insurance counselor, and the insurance underwriter confers with the prospect, not asking a favor, but the recommendation, coming as it does from a well financed local institution, cuts down the sales resistance of the man and also that of his wife.

Wives Offer Savings for Their Protection

I have been greatly surprised to find that frequently wives are opposed to men saving to pay life insurance premiums when the only purpose of the husband is for her own protection. And if the job is satisfactorily done, the insured appreciates the intelligence, patience and insight which has been brought to his particular problem, and

becomes a friend of the insurance company as well as the trust company; and the deft underwriter working with the backing of a financial institution develops prestige which should be valuable.

The most intelligent underwriters, who thoroughly understand what the financial institutions are doing and cooperate with that institution, cannot help but write more insurance. Such underwriter understands that the life insurance companies are limited in acting as trustees; that the insurance policy is a more or less rigid contract which cannot be changed to meet unforeseen conditions, and that if the insured desires flexibility in the payments of principal and income, to provide for sickness, education, vacations and unusual needs, or wants to lodge discretion in some one concerning the disbursement of the fund, or to provide for contingencies, then surely trust service is indicated. Under a trust agreement the insured does not surrender the right to receive any cash payments under the provisions of the policy nor the right to use the policies as collateral for loans, without requiring the approval of the trustee.

Financial Institutions Should Not Write Insurance

The men in the trust business who have given this matter the most thought are in agreement with the resolutions passed by the life underwriters and the trust companies that financial institutions should not write life insurance and that the insurance companies should not do a trust business, and that the best service can only be expected where the life insurance men and trust men work without friction and there is no danger of diverting business from those who originate it. Hundreds of financial institutions are daily urging the need of more complete insurance protection and are advertising liberally through newspapers, direct mail and bill boards their belief in life insurance. May I ask what other business advertises another's, with only the hope of indirect benefits?

And in Development of Insurance Programs

In addition, well informed trust men are offering their services to insurance men in the development of insurance programs and the conservation of insurance estates. Trust and insurance men have rendered fine co-operation to each other in attending meetings throughout the country where our common problems have been discussed to the great benefit of both. Meetings with representative committees of insurance and trust organizations interested in human welfare have been held, at which decisions have been reached for co-operative action beneficial both to the life underwriter and the trust company. Rarely a day passes in which a life underwriter, looking further than his own selfish interest, does not present a case to a financial institution in which he may have no money stake. We had one case in which the underwriter after the death of the insured, whose policies were payable in lump sum, induced the widow, who had no financial experience, to place the proceeds of the policies with our company in trust for her benefit. It required days of his time to straighten the proposition out, but he gave of his time willingly, without prospect of compensation, for the welfare of an inexperienced woman whose husband had been his client. We also render such service in recommending adequate insurance in many cases in which we have no financial concern other than the good will of the underwriters.

While there has been considerable discussion of the funded and unfunded trusts, up to this time we have merely touched the high spots of business insurance, not that ordinarily described as such which provides for insurance on

(Continued on Page 12)

Good and Bad Points on Trusts

TRUST COMPANY'S WORK IS ANALYZED

FOUND TO HAVE BOTH GOOD AND BAD POINTS

Client's Objectives Should Be Ruling Factors in Selection of Settlement Modes.

By A. RUSHTON ALLEN
Of Mellor & Allen, Insurance Trust Experts

I have heard a number of times the statement that the insurance company in its settlements provides for one's wife and children, and that the trust company takes care of grandchildren. Nothing could be further from the facts, for in the particular case the insurance settlement may be directed toward principal for grandchildren, and the trust company settlement may be for

and bonds, and life insurance. In determining just what steps a man should take, in properly managing his life insurance proceeds, the make-up of the balance of his estate is a very decisive factor. The second part of this idea is to determine just what objects a man has or should have in view. The third part of the idea is to decide, having the first two analyses in mind, just which particular method is going to fit the situation as it now presents itself. Our particular problem is to analyze just where that part of your client's assets we call life insurance is going to take care of the objects he has in view, and in what manner shall the life insurance be used for that purpose.

Life Insurance Is Considered Means to End

I like to think of life insurance as a means to an end, as an item of his assets necessary to complete his estate, and I like to emphasize the estate which he must round up rather than the life insurance that he must buy. If I can sell him the idea that his estate must be properly organized, I know there will be no difficulty in leaving the decision with him as to the machinery necessary in the way of the amount of life insurance he should buy.

In considering his estate and particularly for our purposes his life insurance, we know there are certain objectives that the client must have in mind. There are certain things that must be taken care of. If your client does not see fit to take care of them himself, someone else must do it. These objectives must be arranged for. Either your client himself makes these arrangements or he compels his relatives or his friends or the community to do it for him. If we consider the method to be applied in conserving and managing proceeds of his life insurance with these main objectives before us, and adopt a measuring scale to guide us in determining the method to us, we should have little difficulty in advising with intelligence.

Client's Objections in Series of Six

These main objectives are six in number, and I do not believe any situation will develop in which an objective will not fall under one of these six classifications. A man must arrange first for what I call his death debts. These include, as you all know, his last illness expenses, cost of administration, taxes, immediate cash, fixed obligations in the way of bank loans and mortgages, margins on stock accounts, etc. In short, his liabilities and his contractual indebtedness. It is a familiar adage of the law that a man must be just before he is generous.

In the second place, having cleared his debts, he must arrange for the maintenance of his family. The family must be maintained by somebody, and if his arrangements do not take care of them, someone else will have to step in and do it for him after he is gone. And it is often said, a man may not be interested in life insurance, but there is no man who is not interested in food, shelter and clothing for his family.

In the third place, he must arrange for the education of his children. It may be that your client is not a college man. It may be that he does not think so well of a college education, but, nevertheless, he must realize that when he started out in business life he was competing in a large measure with men who did not have a college education. He was competing with an even chance, but when his children start out in business life this will not be true. They will be competing with college gradu-

ates, and if he wants his children to have the same chance as he had when he started, he must put them in a position to compete on an even basis with their competitors as he did with his. This means that a college education must be provided for.

Business Man Must Arrange for Liquidation

The fourth objective applies to the man who is in business for himself. He must arrange for the liquidation of his business interests and leave the value of these interests in cash for his family. If he leaves his family an interest in a partnership, stock in a closed corporation, or the ownership of a sole proprietor business, he leaves them a tremendous obligation and responsibility. He cannot expect them to carry on his business in the case of a sole proprietorship. He cannot expect his surviving partner or his surviving stockholders to carry on the business successfully and divide the profits with an inactive interest. They won't do it and they don't do it, and it is an absolute necessity for him to make some provision to turn over to his family the value of his business into which he has put his life and energy.

The fifth objective he must have in mind is his own retirement and not live in a fool's paradise of expecting things to take care of themselves. Nor should he force his children to take care of him in his own later years.

The sixth objective that every man should consider is whether his college, his church, his old servants, or some other worthy charity should be remembered.

Disposal of Estate Is Next Consideration

With these six objectives in mind and thinking particularly of the life insurance element in an estate, you must consider what methods are open in disposing of the proceeds of this life insurance. He may direct that the proceeds of this life insurance be paid to his estate, or that they may be paid to his beneficiary in one sum, or he may leave them with his insurance company under a method of settlement provided in his insurance contract, or he may direct that these proceeds be payable to a trustee under a properly drawn deed of trust. This trustee may be an individual or a corporation, and my time forbids an analysis as to which of these is the better. I might intimate, however, some of the advantages of the corporate trustee and you can draw your own conclusions as to which type of trustee is the better.

In the case of a corporate trustee, the cost is actually less—the estate is handled by specialists and good management is assured.

The corporate trustee never becomes ill, never dies, is not incompetent nor ignorant, is protected against dishonesty, is not too busy, security is unquestioned, always accessible, furnishes accurate, periodical and accessible accounts, does not speculate with assets, does not co-mingle funds, is not subject to sympathetic influences, is a guarantee of impartiality, equipped to do tax accounting, held to much stricter accountability by the courts, is expert in determining the steps to take in stock reorganization and retirements, and is in a much better position to take the initiative in foreclosing, evicting, distraining, taking judgment, etc.

In determining in which of these four ways the insurance your particular

client is to be payable, we should consider separately and distinctly every objective he should have in mind.

Payment to Estate Is Deemed Wrong

As to the first method—life insurance payable to the estate—there is every objection and nothing that I know of in favor of this plan. The delays and expenses of probate, the tax question, the possibility of estate contests, will contests, with which you are all very familiar, make this method impossible, and whenever you come in contact with policies payable in this way, you should turn on the red light, put up the stop sign, and render your client some real service. If we did nothing else but canvass policyholders, directing them to name definite beneficiaries, we would be of great service.

As to the second method—insurance payable in a lump sum to a beneficiary—you are also familiar with its dangers, and I do not propose to dwell on it except to mention that an official of one of the life insurance companies spent a great deal of time in collecting statistics to bolster up the idea that



ROBERT M. RYAN, Detroit
Associate General Committee Chairman

beneficiaries do take care of their life insurance money, do not dissipate it, and that life insurance does accomplish the object for which the insured paid premiums. I will say only that I believe this is a case of reasoning from generalities and there is scarcely a man or woman who has not seen in his or her own experience the purpose for which life insurance is carried, frustrated. The figures prepared by this insurance official show possibly that life insurance is not absolutely wasted, but he failed entirely to show whether or not life insurance under a definite income plan would not have reached farther in the very cases he cites.

One definition of life insurance is protection for dependents so long as they are dependent, and from this point of view, life insurance paid in a lump sum to beneficiaries does not accomplish its object.

Objective Should Be Arbiter of Preference

The remaining two methods, with which we are particularly concerned—leaving the proceeds with the life insurance company under a settlement agreement or having them paid to a



A. RUSHTON ALLEN, Philadelphia
Home Life of New York

the direct benefit of the wife. It is dangerous to generalize in matters so completely personal to your client. It is said that insurance settlements are iron-clad agreements and that trust settlements are elastic with discretionary powers, whereas in the particular case the trust settlement may be iron-clad and the insurance settlement elastic to the extent that the beneficiary may alter and vary the settlement to suit herself. In passing, it should be remembered that settlements through life insurance companies may be made more elastic and cover more situations than the average underwriter realizes. The whole matter is one requiring an open mind and thorough sympathy with and understanding of your client's situation. In attacking this problem we can make headway if we adopt a definite point of view. The point of view I want to present, the point of view I would like to have you adopt, and the point of view I find most serviceable in quickly determining the requirements in a particular case, is made up of three distinct ideas. In the first place, a man's estate is made up of a number of different classes of assets in varying amounts—cash, personal effects, investment in business, real estate, stocks

trust company under a deed of trust—are the two methods which in every case should be considered, and which is the better in the individual case depends on the objective in view. It is not a difficult matter to be a special pleader for the life insurance settlement nor for the trust settlement, but conscientiously to determine which of the two methods is the better one in the individual case requires the intelligence of the high grade underwriter. I have heard it said by leading underwriters that the insurance company settlement is the only one to adopt, but I have also heard it said by other leading underwriters that trust settlement under deed of trust is always preferable, but let me say that they are both fundamentally wrong—that neither method is the better method, but that either method may be the better method in a particular case.

If we had time we could indulge in a discussion as to the technical differences between the two methods, and they are many. But that is a story in itself. I might say that the under-

balance for the benefit of the wife. The corporate trustee is expert in keeping down bills, preventing extravagant arrangements, and handling the tax collector most advantageously. The cost of settlement of estates handled by trust companies, the probate records show, is tremendously less than the cost of estates not so handled.

I will postpone for a minute the consideration of the maintenance of the family and the retirement fund for the old man, and pass on to the objective of the education of the children. It is my contention that it is impossible for an insurance company, through any method of settlement option, to provide for the proper education of a child at the proper time in the right school and the correct surroundings. There are too many contingencies involved, too many conditions and uncertainties in the very nature of the problem for the life insurance company to attempt it. For instance, at what age will the child be ready for college? Will the child want to go to college? Will the child be physically fit for college? How much will it cost? The cost of college education today is no criterion for the cost of a college education 10 or 15 years from now. It might be more important to send the child to a hospital or sanitarium than to send it to college. How can an insurance company arrange any method of handling these contingencies? It is a problem for the personal service of a trust company.

Insurance Company Is Not Liquidator

The fourth objective—liquidation of your client's business interests—is another matter the insurance company is entirely unfitted to accomplish. The insurance company fulfills its duty when it makes available the cash necessary to liquidate such interests. Whether the business be a sole proprietorship, a partnership or a stock interest in a corporation, there should be an umpire, an arbitrator, to make the necessary adjustments satisfactorily between the executor or the widow, and the remaining interests, partners or stockholders, and prevent or absorb all friction and contests in carrying out fairly the wishes of the deceased. What method could be provided that could do this so effectively as to have the insurance money payable to a trust company with an experienced trust officer in charge whose business it is to handle just such a situation? The field for this development in our business is tremendous and has scarcely been touched.

Our sixth objective—beneficiary provisions for your client's favorite church, hospital, college, lodge, fraternity, poor relatives, servants, etc.—is a field we all neglect and is one promising of great development. Because of the definiteness of the object—a principal sum to a charitable corporation or an annuity to individuals—the insurance company is particularly well equipped to handle it. To my mind there is no improvement to be made over a cash payment to a charitable corporation probably already in the hands of trustees or an annuity to an individual preventing all questions of deficiency in the estate, will contests, taxes, and other matters. The beneficiary of the charity should be directly named in the policy itself.

Two More Objectives Are Considered

We still have to consider the second objective, maintenance of the family, and the fifth objective, retirement fund for the insured. These can be considered as one matter, as the fund built up for the maintenance of the family can be used by the insured in his own old age when the family has struck out on its own, either through the cash value of his life policies or the maturity of endowment policies. Shall your client

provide an income for his family by means of a life insurance settlement or shall he arrange it by means of trust company service? This is the hardest problem, and the best we can do is to have in mind the relative advantages and disadvantages of each method, and apply them to the individual case to the best of our ability and to the satisfaction of our client. A trust company cannot pay an income in the form of an annuity—its charter will not permit. Where the amount involved is small and the living income a most important consideration, the insurance company through one of its annuity options can best fill the bill. By a sacrifice of the principal or a part of the principal, the income can be materially increased, and where this largest possible income is the most important consideration, the annuity form of insurance settlement is by far to be preferred.

Aside from the consideration of the annuity feature, the matter of guarantee of income and principal is important. Because of the contractual nature of its settlement, the insurance company places behind each optional settlement the assets of the company with its wide territorial diversity of investment making for the highest security. Furthermore, the insurance company by contract can guarantee to the beneficiary a definite income, including interest, and would, in addition, pay a reasonable proportion of its earnings over and above the guaranteed rate of interest. It is a great mistake to say, as some underwriters do, that the insurance company makes no charge for its services in income settlements. The cost of these settlements must be borne by the company and must be allowed for in the interest rate returned.

Trust Company Is Failible

The trust company, because of the technical nature of a trust, must keep the fund in a particular pigeon hole to stand or fall, to be profitable or unprofitable, as the sagacity of the trust company investment department proves good or bad. This difference to my mind is emphasized too much because the experience of trust companies indicates that they are conservative investors and some of them have even gone so far as to establish a fund in their surplus account for the particular purpose of absorbing losses caused by injudicious investment of trust funds. However, some clients feel that this guarantee of principal and interest far outweighs the advantages in other directions offered by the trust company. It is not a matter to be determined by the underwriter, but more a matter to satisfy the point of view of the client, being sure, however, that he understands the distinction.

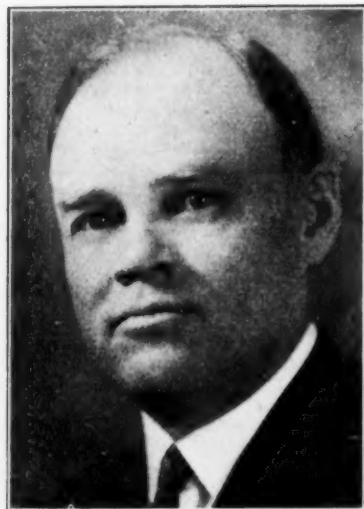
The trust company, on the other hand and for the same reasons, under a properly drawn investment clause, can so switch the investments in the fund from time to time so as to keep pace with the changing purchasing value of the dollar. The insurance company guarantees to pay \$50 a month for life. Fifty dollars a month may buy its par in commodities today and be 50 per cent under par 20 years from now. Our own experience in the past 15 years has shown how true this is. The trust company by changing its investments to keep pace with the current value of money maintains the purchasing power of the income at a very much closer level than any guaranteed settlement could do. As the cost of commodities, relative to the value of the dollar, is a constantly increasing one, regardless of war-time fluctuations, this consideration is very important and is one that is often overlooked.

Discretionary Power Highly Valuable

In arranging for the future of one's family, it is dangerous to predict with too much certainty just what is going to happen. This suggests the strongest

advantage of the trust company settlement—discretionary power in the trustee to meet future contingencies. Illness and hospital expenses often come along. Unforeseen conditions arise, and the welfare of the family seems to demand elasticity of provision impossible for the insurance company to arrange. You must weight carefully in your mind whether the particular case can best be worked out or whether the particular client would be served better with an annuity or interest settlement with an insurance company with its guarantee and its contractual security, or whether his purposes would be better accomplished with a trust settlement and its attendant discretionary power.

It is well to keep in mind that your client is particularly concerned in projecting into the future the care that he is able to furnish at present. This care involves not only the furnishing of actual cash to continue the support of his family, but this also involves the exercise of personal judgment in many respects, and in considering the proper form of settlement to adopt, this item



WILL S. REEVE, Detroit
Chairman Transportation Committee

lying and fundamental distinction between the two is the difference between a contract and a trust. An insurance settlement by whatever name it may be called is a contractual relation in my opinion, and a trust settlement is never a contract. This means that an insurance settlement is a direct obligation to a big corporation to carry out its promise, whereas a trust settlement is the obligation of an individual or a corporate trustee to carry out the directions contained in the trust deed to the best of his ability. From this distinction come the various advantages and disadvantages in the two methods.

Have Basis for Testing Methods of Settlement

We now have a point of view by means of which we can test the relative advantages and disadvantages of these two methods of settlement and apply it to the objectives your client must consider. Under the first objective—the payment of last illness expenses and debts—the problem is very simple. The insurance company cannot pay debts. It can only provide the money with which the debts may be paid. The money may be paid to the wife, and she may work out the accounts and taxes or employ somebody to do it for her. But how much less expensive and how much more expeditious it is for this money to be paid to a trustee for the benefit of the wife with a provision in the trust deed that the trustee may loan money to the executor of the estate in the proper amount, properly accounted for, and keep the



JOHN W. YATES, Detroit
Chairman Registration Committee

of personal judgment and personal service must be constantly kept in mind.

Trust Company Solves Problems Expeditiously

Also, bear in mind that the trust company can work out under one roof a complete plan, including all of your client's problems, an executorship, a guardianship for his minor beneficiaries, providing for the probable contingencies—can give personal advice and service to beneficiaries rather than absentee control by correspondence. It is very difficult, as you are well aware, to take a number of policies in a number of different companies and arrange the settlement in each company so that the resulting whole is smoothly worked out. The trust company can protect against wasteful expenditures by means of spendthrift clauses. I realize that these clauses are attempted by some companies in their insurance settlement, but I am willing to put myself on record that these clauses are of very doubtful effect. I realize also that many insurance companies are willing to handle the contingencies of the remarriage of the widow, and I also want to put myself on record as being decidedly averse to this provision in insurance settlements, as I feel that trouble is being brewed, not necessarily for the companies, for they insert an exoneration clause in their contract, but for the beneficiaries whose income may be held up while the court decides who is to get the money.

If the insurance settlement is adopted, let me plead with you to make it simple. Don't allow your client to leave a lawsuit instead of an income. You

probably have heard of the request to an insurance company that looked very simple on its face, merely a provision for a wife and three children, but when the insurance company figured out the contingencies involved, it was found that the agent had applied for a settlement that involved a contract providing for 546 different contingencies. Any insurance company willing to handle such a settlement is inviting great difficulty, and any policyholder who provides such a settlement is more interested in legal technique than he is in an income for his wife and children. If your company refuses to write the option your competitor is having prepared, remember that your company is protecting the family of your client, while your competitor is taking the easiest way to keep the client happy.

Having in mind the different objectives your client must consider, having in mind the advantages both of the insurance company and the trust company form of settlement, is it not advisable wherever possible to provide a back-log in the form of a guaranteed annuity to the wife for a small portion of the estate and cover the other objectives by means of the trust company settlement for the balance of his insurance? I have seen very many interesting settlements arranged by using just such a plan, assuring beyond all question a guaranteed life income through the insurance company and providing for all possible future contingencies by deeding the bulk of the estate to the trust company.

Agent Must Not Be Ruled by Bias

Let me summarize in this way: Disabuse your mind of all bias and consider your client's interest too sacred to indulge in hasty generalities or conclusions. Remember that there are only four ways to pay the money out, pay to the estate, pay to the beneficiary, pay through the insurance company, or pay through a trustee. Remember that there are six objectives to keep in mind, and that whether your plan is good or bad depends entirely upon the objective of your client. He must arrange for his death debts, the maintenance of his family, the education of his children, the liquidation of his business interests, his own retirement, and his favorite charities. Have in mind the objective, show him the method best suited to the objective in accordance with your own point of view, and let him be the judge as to the method to adopt.

The question is often asked, How much should an underwriter know in order properly to handle the matter? I think he should know the general provisions of the interstate law in order that he may properly recommend a will. I think he should know the technical distinction between an insurance company settlement and a trust company settlement. In fact, I think he should continually read and study all those matters germane to his job, and attempt to really qualify for the professional status he so often hastily claims.

No small achievement in membership building was recorded by the Detroit Association of Life Underwriters, which increased its membership 20 per cent during the summer months. The work was under the direction of F. A. Smart, agency manager for the Equitable Life of Iowa, who is second vice-president of the organization. Mr. Smart added 75 members during the summer months and says the work is not yet completed, believing the convention itself will add to the roster of the local association.

One of the largest single agency delegations was that from Chicago, headed by S. T. Whatley, Chicago manager for the Aetna Life. Mr. Whatley had 27 men of his agency in Detroit for the preliminary meeting of Aetna Life agents, all to remain over for the three-day session of the National Association of Life Underwriters.

URGE EXTENSION TO FOREIGN COUNTRIES

ASSOCIATION WORK IS NEEDED ABROAD

International Council of Life Underwriters Reports on Third Year of Activity.

Extension of association work into other countries was urged in the report of the International Council of Life Underwriters, presented at the executive committee meeting Tuesday. The report of this special committee or group, of which Neil D. Sills of Richmond, Va., is chairman, was read by J. K. Voshell of Baltimore, a former president of the National association. It read, in part, as follows:

Three Years' Work Since Organization at Washington

"The International Council of Life Underwriters was formed in Washington, D. C., February, 1925, by the following men: E. A. Woods, Ernest J. Clark, W. Lyle Reid, John A. Tory and Neil D. Sills who made their report to the executive committee of the National association meeting in Washington at that time. The object of the international council is to develop more intimate and friendly working relations between the life insurance men of the United States and Canada and to extend the benefits of our life underwriters' association to the English speaking insurance men of the world.

"Beginning in 1918 the International Life Underwriters conventions have been held each four years alternating between the United States and Canada. The last international convention was held at Atlantic City in 1926 and the next international convention should be held in Canada in 1930.

Americans and Canadians Extending Activities

"At the time of the mid-year meeting, April 3, 1928, in New York we had a meeting of the international council. There were present J. J. McSweeney from Canada, J. K. Voshell, John G. Clegg and Neil D. Sills from the United States. At that meeting we worked out plans to get the names and addresses of many of the outstanding English speaking life insurance men in the foreign countries with a view of writing them about our work and sending them each month our 'Life Association News' and 'Life Underwriters News' of Canada. We believe that this missionary work will interest some of them in the association ideas. We feel that a few of them may plan to be in this country and attend our annual conventions, then when our international convention is held in 1930 we propose sending each one of those men an invitation.

"Very few things just happen, they grow, and we feel that this plan has partly grown out of Dr. S. S. Huebner's world-wide lecture tour on life insurance and the benefits of the life underwriters' association.

Unethical Conditions Are Found in Many Countries

"During the year we received a letter from a prominent life insurance man in Trinidad outlining to us the terribly unethical conditions in that country and asking if there was anything that we could do to help correct those bad conditions. This call for help is as appealing as Paul's famous call from Macedonia and we know from experience that the spreading of our association ideas in Trinidad will help to correct those conditions.

"A prominent life underwriter from England recently attended an executive council meeting of the Canadian association and he was very much interested in the demonstration of what the life underwriters' association meant in

the institution of life insurance. He was very enthusiastic and said on his return to England he would use every effort to organize an association of life underwriters in that country.

Urge Extension of Work Into Other Countries

"The Canadian association has been in close touch with some prominent insurance men in Guatemala, Central America, where they appear to be intensely interested in the association movement. The Canadian association is also in touch with two prominent underwriters in South Africa where an association has been formed and they have practically adopted the Canadian life underwriters' constitution.

"The rebating practice and lack of good insurance ethics in some of the foreign countries is affecting some of our underwriters in this country in closing big cases and the organization of life underwriters' associations in those countries is the only thing that can prevent the practice. We, therefore, feel that the National association and the life underwriters' association of Canada should earnestly back the plan of the international council in spreading our association ideas as fast as possible to the life underwriters of the foreign countries and we recommend that the incoming international council carry on this work with all possible speed."

Special Features for Ladies

Not forgetting the ladies in outlining the convention plans, the program scheduled several items of particular interest to them, in addition to the numerous activities, such as the golf tournament and boat ride, to which all were eligible. A special shopping trip to Hudson's department store was scheduled, a personally conducted visit to this third largest store in the country. For many the fur fashion show at the Masonic auditorium will prove of attraction. On Friday afternoon there will be a theater party for the ladies, including a visit to the show at the Michigan theater and a conducted tour of the entire building, from the projecting room to the cooling plant. On Thursday afternoon there is the boat ride and also the golf tournament. On Wednesday evening the ladies were at the reception and dance. On Friday they will also be able to enjoy the visit to either the Ford airport or the Rouge plant of the Ford company.

American Life's Convention

Over 60 agents of the American Life of Detroit gathered at the home office this week for a joint home office conference and national convention meeting. The men came to town for the three-day session of the National association and took advantage of the occasion for an informal conference with the company officials, the latter giving a banquet for them. This is scheduled for Wednesday evening at which time talks will be given by President Clarence L. Ayres, Russell D. Beadle, assistant to the president; Ellsworth H. Marshall, superintendent of agents; Prof. F. D. Davis, head of the educational department, and several leading producers including the two million dollar producers, E. E. Sales and H. P. Trosper, of Detroit.

Breakfast for Press

As an innovation for the opening of the convention, the "gentlemen of the press" were guests at a special breakfast given by the officers and trustees of the National association Wednesday morning. Following the breakfast and get-together of the officers and press representatives, Julian S. Myrick, president, spoke briefly in greeting and called on James Elton Bragg, chairman of the program committee, to present the purpose and plan of the convention and answer any questions the press might have as to the sequence of events.

PLAN FOR EXTENSION OF WORK OF COLLEGE

WILL HAVE CLEARING HOUSE FOR TEACHERS

Advisory Council to Be Link Between Local Bodies and Directors.

Plans for cooperation with colleges and universities for carrying out the proposed program for granting the degree of Chartered Life Underwriter formed the principal topic of discussion at the meeting of the board of directors of the American College of Life Underwriters Monday night. Dr. S. S. Huebner, dean of the college, reported on the progress made so far in that work, submitting letters and correspondence from 25 different universities, all showing the greatest interest in the plan and many stating that they are installing such courses.

Probably the most important step taken along that line was the decision to establish a clearing house for insurance teachers, for the benefit of the universities desiring such teachers. The difficulty in securing teachers has been a factor in the delay experienced in installing such courses in a number of institutions. Dr. Huebner will work out the detailed plans for the clearing house, and in fact already has them well under way.

Advisory Council to Promote Cooperation

Cooperation between the local associations in cities where universities are located and the college board will be effected through the establishment of an advisory council, composed of one member from each of these cities. The members of this council will be very carefully selected. They will be good speakers, well grounded in the fundamentals of life insurance, and will make addresses along very definite lines.

There was also some discussion of the proper way of using the C. L. U. degree. Dr. Huebner was requested to formulate regulations for its use, along the lines of the use of any other professional degree. It is not to be used in advertising nor in any undignified manner.

Membership of Board Is Increased to 15.

Under an amendment to the constitution, the membership of the board was increased from 12 to 15. There was already one vacancy on the board, and this was filled by the election of William M. Duff of Pittsburgh, representing the alumni. He is one of the 21 to whom the C. L. U. degree has already been granted. John Marshall Holcombe was elected to one of the new places. The others were not filled at this time. One of them will be a home office executive and the other a representative of one of the large colleges or universities. These two classes are already represented on the board by Hugh D. Hart, of the Penn Mutual Life and Dr. Huebner.

The presentation of C. L. U. diplomas to those who are here will be made from the platform Friday afternoon after the work of the college has been presented by President Ernest J. Clark, from the executive side, and Dr. Huebner, from the educational angle. The organization of the alumni and also the decision on plans for the permanent financing of the college were put over to another meeting of the board to be held Thursday afternoon.

James Victor Barry, vice-president of the Metropolitan Life and "conventioneer extraordinary," was on hand as usual.

Tells of Industrial Citizenship

HULL OUTLINES FUTURE COURSE

NEW CITIZENSHIP AND NEW DUTIES

Quality to Replace Quantity as Test of Value of Work- manship.

By ROGER B. HULL
Managing Director and General Coun-
sel of The National Association
of Life Underwriters

You have given me during these past 13 months, as your representative, an opportunity for which I am exceedingly grateful, of talking, of traveling and of working with the leaders of American life underwriting.

It has been a truly remarkable experience to me—this business of going about the country with my ears turned like an inquisitive donkey's toward the



ROGER B. HULL
Managing Director National Association

ground, trying at the same time to keep my eyes raised at least just a little above the horizon, and to make of my mind a storehouse of reflected thoughts, a clearing house of ideas, always open to receive and record your impressions and your inspirations.

I was a stranger, and you have been more than gracious. You are the men who have during all these years been carrying this great movement forward. I can only try faithfully to mirror your ideas, and to fit together, if may be, into one mosaic the splendid avenues of reflection which you have opened up to me, in the way of higher aims and aspirations for this association.

If I can with any real degree of accuracy voice your hopes and convictions, or even in a very small way, help in analyzing our common problems, I shall feel that I am repaying only a small part of the gratitude which I owe to the thousands of underwriters who have taken me into their circle, not only of activity, but, I feel, of friendship.

Ideal of Business and Professional Co-operation

During the past year I have spent a good deal of time and thought, as I have moved about the country, dwelling upon what I have variously called the "collective consciousness," and the

"group responsibility" of the modern life underwriter. I have felt increasingly and have tried, sometimes too frantically, perhaps, to persuade others of you to feel, that the "go it alone" philosophy—the isolation and the insulation of the individual from his group—was untenable under present day social and economic conditions. I have tried to summon you, depending sometimes, I fear, too much upon the stentorian quality of my tones, back from the glorious but outgrown effectiveness of the sturdy self-reliance of the pioneer, to the ideal of business and professional co-operation. I believed the doctrine that I preached, and I hope that some of you believed it, too. That is, of course, the logical first step, if the life underwriter is to take his proper place in the pursuit of his own profession, and in the expression of the collective ideals of his community. He cannot do these things single handed.

"Get Together" for Specific Purpose

But if you will let me, now, at the end of this first year of our friendship together, I want to take with you the next step in the philosophy of co-operation. As I have said to many of you throughout the year, we must sometime stop talking about getting together, and get at the business of deciding what we are going to do and what we are going to be when we get together. It does no good to get together unless we meet for some specific and some enriching purpose.

I don't know, but it seems to me that this is a particularly propitious time, on the eve of a national election, to reappraise the ingredients of American prosperity, and to formulate the underlying purpose which is going to actuate our business conduct during the coming months. I want to analyze that purpose here this morning, in the light of the study that I have been able to make of the fundamental problems which are facing the life underwriter of today, yes, which are facing business men generally. Without teamwork that purpose cannot be performed. Without that purpose co-operation becomes an idle phrase. It seems to me that the real issues of this national campaign are those that concern the economic welfare of the country and the fundamental relations of government to business and industry.

Forefront of Important Professional Pursuits

It has not been easy to choose a subject, a title, to suggest what I have in mind to say. "The New Industrial Citizenship" was as near as I could come to expressing the idea. I might have varied a slang phrase of the day and called it: "The Need of Today Not a Bigger, But a Better and Broader Business," or I might have called it, going back to the idea of citizenship, and applying it more narrowly to our own particular field of effort, "The Citizen Underwriter." But as I conceive the situation, the ideal which the American life underwriter must hold up for himself in this day and age is so much bigger and broader than the mere conception of his own specialized activity, that it cannot be confined in any phrase which connotes only the business of life underwriting. Life underwriting must take its place in the forefront of the important vocational and professional pursuits. It has stood too long in a rather inglorious background. It must take—and we might as well admit that it has not yet taken—the place as a vocation which life

insurance itself has taken in the classification of business enterprise. And if it takes that, its proper place, then we demonstrate that the modern underwriter must be the citizen underwriter, at the same time that we establish that there has come into our present day economic life the necessity for a new citizenship in business.

America is going to give to the world its next great bill of rights, and it is going to come from big business. The thousands of life underwriters in this country are going to make a very substantial contribution to the formulation of that creed.

Big business and large aggregations of capital in industry are no longer going to be merely subjects of prejudice and indictment. They are going to set the pace for a new code of business integrity and fair dealing. Industrial leaders are beginning to recognize their need for a lifting purpose greater than the struggle of materialism.

The first article in this new creed is going to be a social and moral consciousness. During the past ten years we have been busy developing the idea of teamwork among the members of a separate and particular business group, promoting a prosperity solely for the members of that group. The next ten years are going to see, in my opinion, another emphasis, upon the development of a new co-operation—one in which there becomes paramount the interrelationship and interdependence of all businesses, indeed, of all of the constituents of society, down to the individual make-up of each community. Business is going to realize more and more, as Mr. Parker told some of us in Washington a few weeks ago, that its opportunities lie not in the immediate profits of its own prosperity, but in the welfare and happiness of all those from whom it buys, those to whom it sells, and those whom it employs.

New Emphasis Upon Right Living

There will shortly come a startling realization of the essential relationship of industry to the community which it serves and from which it takes its living. It will be realized first of all through an increasing application to the field of business of the customary standards of the community at large, such as honesty, fair dealing and the obligation to service.

There is going to be a new emphasis upon right living as the basis of correct business judgment. Perhaps it was the war which crystallized certain moral forces, or which at least began to make this country impatient with the loose, morality and the tainted, twisted motives which had characterized too great a portion of the American industrial structure. A voice like that of John D. Rockefeller, Jr., when he calls aloud for leaders in business, "with trained minds, vision and unquestioned integrity," when he yearns for a re-establishment in business, of "obedience to law, clean living and singleness of purpose," is no longer the voice of one crying in the wilderness. There is going to be a new emphasis upon some of the so-called homey virtues, which have been the strength of American life. As a New York banker wrote the other day, "The captains of the future must face their tasks equipped with a moral and religious as well as a secular training. Our country cannot survive materially unless it is preserved spiritually." And the significance of that utterance lay not only in its philosophy, but in the fact that it

came from one of the leaders of the so-called money market of the world.

Social Responsibility Is Inescapable

The manner in which the profession of business emerges ethically from the old order of selfish individualism, is going to be, in the coming generation the surest test of the deservedness of its past success and of the continuance of its prosperity.

The social responsibility of the business man is inescapable, and as that responsibility is more and more assumed, then business will constructively concern itself with such things as legislation and with law enforcement, and with those problems which relate to labor and to the public and to social service. The technique of trade association management will then no longer be a sufficient expression, for any particular group, of the new social consciousness. The community will then become the co-operative unit. The nation will then serve as the proving ground for these new economic forces. Indeed, the world will be the workshop



GUY A. REEM, Detroit
Chairman Reservations Committee

for these new forces in business, for industry is fast reaching the point where its leaders must think in terms of their relationship to the broader field of world conditions.

This has already begun to manifest itself. From many quarters comes the statement that leadership in community affairs and civic and national activity is being shifted to the shoulders of the business man. There is already an increasing recognition of the responsibility which the industrial leader owes to society and which he must inevitably discharge, especially because of his control over capital, credit and employment. There is a present tendency in this country to look for its most effective leaders among its commercial and industrial, rather than its political statesmen.

We are trying more and more in business to think in terms of human beings and human happiness. We are realizing that our civilization has been too essentially materialistic. The idea of trusteeship in business is more and more engaging our consideration. There looms up in America more clearly every day a new relationship in industry, and a new form of social organization in which business is going to assume and discharge new responsibilities.

Thus it has come about that there is

a vast difference between the motives which animate and actuate business management today as compared with only a quarter of a century ago. The past has been an era of super-power and of concentration in industry, trade and finance. And it has been anathema to the public and to both state and national legislatures. But the essence of big business today and for tomorrow is going to be its essential relation to public service and to the good citizenship of the nation.

These are the factors which are going to create and inspire the new business leadership in America. Giving heed to worn out measurements of the past will not help the modern life underwriter to take his place in that leadership.

Promotion of Public Understanding

And the first way in which business is going to set itself in its proper place as a public servant, is going to be the



M. J. DONNELLY, New Castle, Pa.
One of the star producers in the Woods Agency of the Equitable Life.

promotion of public understanding of its methods and its aims. Industrial leaders have slowly but surely come to a realization that a continuation of their success and the improvement of their service depends upon public understanding. Prejudice is born of ignorance and will disappear when the facts and economic principles governing industry are understood. A knowledge of the truth by the people will confuse the demagogues as nothing else can do. Unjust burdens upon industry, repressive and unduly restrictive regulation, the menace of interference or even confiscation through government competition, the taking over of business by the government to be run according to the notions of an industrially ignorant and socially blind coterie of politicians, all of these things will disappear when and if only the public can be made to realize what must be their own injury through such processes, in the way of lessened helpfulness and increased cost.

Bruce Barton has said, in a recent magazine article, and I cannot believe that his philosophy is solely inspired by the self-interest of his own profession,

that our industrial structure is exposing itself to suspicion, hatred and attack, by failing to make its intricate processes understood by the great mass of people. "Any industry," says Mr. Barton, "which sits supinely by and allows itself to be advertised and represented by stock salesmen, by politicians hungry for the front page, by district attorneys who want to be governors, has no right to complain if the people condemn what they never have been taught to understand."

Need Program of Co-operative Advertising

Knowing the facts and the detrimental consequences to the public of acts which result from a lack of understanding, any industry would fail miserably, if it should neglect to employ every fair means to offset misrepresentation by knowledge, to replace ignorance with understanding.

And here I want to express a personal opinion. As I view the situation, the essential and outstanding process for the promulgation of this increased knowledge of and public confidence in the institution of life insurance must be some program of co-operative advertising. Looking at our business through the smoked glasses of ignorance and misunderstanding, the American public has failed to obtain a correct picture of the modern underwriter. This has made fertile ground for seeds of distrust, suspicion and even of bitterness. The problem of correctly informing the public of the recent evolutions of our business, its functions, motives and ideals, is, in my opinion, an urgent and immediate one—not the sort of education which seeks to camouflage inferiority of performance, but that kind which would keep our business out in the open, and which would compel us to set up for ourselves public ideals of quality and service and to measure up to those ideals. Thus will the whole measure of our performance come onto a higher plane. Moreover, such a program of institutional advertising for life insurance will be, in my opinion, of the very greatest value to American life underwriting in another way. When this business of ours shall have come to be held in universally high esteem by the American public, then, and not until then, will men of uniformly high talent be encouraged to train themselves for it.

Enlarge Our Fields of Knowledge

But before the business man can take his part in this process of public understanding, he must fit himself more perfectly for the practice of his own vocation. Community leadership implies a wider range of human contacts. In this new capacity of leadership the business man will necessarily be called upon to utilize the most effective means of fitting himself for its exercise.

And this brings us to the means by which we are going to fit ourselves for this new era of industrial trusteeship. It is going to be accomplished by vastly enlarging our fields of knowledge. Industrial education will be more and more the factor essential to industrial success. New materials and sharper tools have been placed in the hands of industry. Those who work in and with them must study to show themselves capable of their use. Sixty per cent of those attending the so-called vocational schools are specializing in business, and this means that industry of the future will be conducted as a profession, with scientific methods in control.

Underwriter Must Sharpen His Mind

The need for education in the business world is greater today than it has ever been before. Recent years have brought about far-reaching changes in our economic relationships. It would be interesting to analyze the causes and the effects of that process. But we

haven't time. We can only observe that these changes have come upon us so rapidly that we have found it difficult to adapt ourselves to the new conditions. We can only say that there is today as there has never been before, a need for clear thinking and constructive leadership to make the necessary adjustments and to remove causes of friction and misunderstanding.

But the solution of new problems is not going to be worked out under the old conditions of life underwriting. The modern underwriter is going to have to sharpen his mind just as the leaders in more technical lines of industry are going to sharpen their respective tools. Keener and more enlightened competition is the order of the day, and it demands clearer heads, keener interest, more open minds.

American College of Life Underwriters

And the means and methods of accomplishing this for the life underwriter are, fortunately, at hand. The American College of Life Underwriters is much more than an organized corporate body. Even if it owned marble halls and cathedral archways, it would stand as much more than merely another piece of educational machinery. It stands for the new era of professional business education, which is going to be the essential factor in the solution of the new economic and social problems evolved from the world war and the succeeding period of industrial reconstruction. If the life underwriter of tomorrow is going to take his proper place, he is going to have to perfect himself in the wider and broader educational process which is being provided for his use.

And the American College of Life Underwriters is by no means the only piece of educational machinery which is at the disposal of the life underwriter of today. Such training courses as the Diamond Life suitcases, the R. & R. Service, the Dr. Rockwell School, the New York University course, and others, are at hand virtually but for the asking. Moreover, the life underwriter is served today by an insurance press, which, in my opinion, because of the outstanding ability of its leaders, is the most sane and effective single educational influence operating at the present moment for the guidance and direction of tendencies of American life insurance. And last, but by no means the least, comes the work which is being done by the Life Insurance Sales Research Bureau, which, on account of what I consider to be the inspired leadership of John Marshall Holcombe, must take high rank as one of the important agencies at work for the training and education of the underwriter of today.

United Effort and Unity of Purpose

Brain, not wealth, intellectual, not material, power, are going to be the great dynamic forces in America's business development. The distribution of life insurance is going to keep step with this great forward movement. The life underwriter is going to make his contribution in interpreting it in terms of more efficient co-ordination and in a greater response to the broader requirements of the community and of the nation.

But may I express this opinion carefully and deliberately, that as I view this particular problem, of the part which the life underwriter is going to play in the new industrial education, the crying need seems to be for the type of masterful leadership which will marshal, in this new field of endeavor, the potential influence of this great business of ours? There must be a more united effort, there must be a more outstanding unity of purpose toward a higher and more self-forgetting quality of service, and behind and underneath it all must be the wholehearted enthusiasm and the unselfish support of

the great body of life underwriters of this country.

Swing from Quantity to Quality Manifest

One of the first by-products—no, it must not be called a by-product—one of the first fruits—of this new industrial education is going to be an increased emphasis upon good workmanship—upon the quality of performance. We are going somehow to forsake our devotion to the worship of quantity, and turn more and more to the allurements of that far more elusive yet more satisfying measure, of quality. Today's keen competition demands that every worker become "quality conscious."

There never was a time in the business life of America, of so many and so powerful competitive distractions which clamor for mass production, at the cost of effective and profitable distribution. There has been a great preponderance recently of quantitative analysis—too little qualitative. "Voluntarism" has undermined the health of



E. S. BRASHEARS

On whose invitation the next convention will be held in Washington, D. C.

our entire business structure. What Dr. Julius Klein called, over the radio the other night, "mass mania," has thrust its insidious poison into all competitive industry, and, unfortunately, our own particular field of activity has not escaped the infection. Yet, this new swing from quantity to quality has already begun to manifest itself in our own business. I believe that the most important tendency in life insurance today is the new and growing emphasis upon conservation of business. And after all is said and done, isn't conservation very largely a field problem? It depends primarily, doesn't it, upon an intelligent and at the same time a self-forgetting service by the underwriter to his clientele?

Future Development One of Trusteeship

There has been an insatiable quest for standardization, mass production, mechanical efficiency and scientific control of management. It began, did it not, with that era of monopolistic exploitation of resources and man power

"Too Good to Be True!" Agent Hesitated for a Year

An Agent who recently joined The Columbus Mutual, after a year's deliberation, when asked to explain his hesitation, said he had held back because The Golden Rule Agency Contract "seemed too good to be true."

In the Columbus Mutual Agency force there exists a Morale that is wholly without precedent in Life Insurance for the contract is as "True" as it is "Good."

You may want to "think it over" for several months or a year but today is the day to mail your inquiry for information concerning the fairest and most profitable agency contract ever devised.

COLUMBUS MUTUAL LIFE

C. W. Brandon,
President



Columbus,
Ohio

If from the Policyholder's viewpoint you are interested in relative superiority of companies listed as "Excellent" in Best's Chart, try to find one that excels The Columbus Mutual in any respect. Make any tests or comparisons you please.

The OLD LINE LIFE
Insurance Company of America

Home Office

Milwaukee, Wisconsin

is operating in the following states: California, Illinois, Iowa, Michigan, Minnesota, Ohio, Oregon, Oklahoma, Pennsylvania, South Dakota, Texas, Washington, Wisconsin.

Please send me "Strong Points" and "Interesting Facts" about the Company.

Name.....

Address.....

which marked the creation of trusts in the nineties and early years of this century.

But the next quarter century is going to see a new development. The future development of business enterprise is going to be one of trusteeship. Instead of great industrial, business and financial units operated to satisfy the cravings of one man or of a group of men, for wealth and power, we are going to have organization, management and efficiency laying their votive offerings on the altar of "public service" through quality of performance.

And there is a reason for this. Business management is today responsible not to a handful of magnates and capitalists, but to a great army of investors and virtual partners. The fruits of business and industry were never so generously and so widely bestowed. We have a wider diffusion of business ownership today than any other nation in the world.

Problem of Securing Customer's Dollar

Blind indeed must be the judgment which does not perceive that, underneath and governing these present progressive trends in business, there are newly released forces which make for constant advancement, new ideals and instinctive aspiration for improved conditions.

Indeed, it is already true that America is far ahead of any other country in diffusion of electric light, power, telephone, better housing and scores of other modern comforts. Today through efficient industrial processes we have attained a level of material life unparalleled in the world's history. What someone has called the added margin of purchasing ability which is contained in the extra buying power of the American wage has been translated into a new standard of comfortable living.

And isn't this one reason for what the joint authors of that fascinating book, "Your Money's Worth," call "the major problem of securing the consumer's dollar before the other fellow gets it?" It is not, however, in my opinion, simply because, as they say in one part of their book, "the honest manufacturer has no protection against the higher salesmanship in the hands of an unscrupulous rival." It may be true, as they say, that "it is not quality but salesmanship which makes or breaks a business today," but in my opinion that is not going to be true of the race for the consumer's dollar which must be run tomorrow and the day after tomorrow. An enlightened purchasing public is going to require an enlightened and an enlightening salesmanship, and the quality of one's performance not the high pressure of one's salesmanship is going to be not only the watchword of modern industrial education, but the only thing that will satisfy a new and discerning purchasing public. The new competition is going to be necessarily intelligent, not excessive. The loud voiced, high pressure salesman is distinctly out of his element today, in a shrewd, calculating world of business.

Challenge to Industrial Leadership Sounded

Well, if these things are true, or even if some of them are true, what are we going to do about it? If the life underwriter is going to play his part in this new process of fostering public understanding of his industry, if he is going to respond to this new challenge of industrial education, if he is going to share effectively in this new emphasis upon quality of performance, and if life underwriting in this country is going to emerge from what I have perhaps not too tactfully described as a rather inglorious background, where are we going to find the rallying ground, if it is not here in this National Association of Life Underwriters? Doesn't this association furnish us with

the inspiration to respond to this new challenge to industrial leadership? If it doesn't, shouldn't it?

Esprit de Corps So Far Is Lacking

Why is it that we have so far failed in this business of ours to build up the spirit, the esprit de corps, the high traditions of the service, that characterize, for example, a loyal army? How is it that in armies and navies you can induce men for a dollar a day to put forth exertions, to face hardships, and to show qualities for which the biggest salaries and the highest wages would be considered an insufficient inducement in business life? The spirit of unity and co-operation, the spirit of competence and of devotion to a cause, the honest pride in good workmanship—are all these things for armies and navies alone? Is there no room for navies alone? Is there no room for them, no call for them in the business of life underwriting in this country? Shall Annapolis and West Point be the only colleges where "the traditions of the service" can take root? Are they out of place in a school of business administration, or in the American College of Life Underwriters? Would it be an absurd thing if a man were to go into the life insurance business, as men go into the army, with the feeling that there is a flag above his head which he must not dishonor, a standard of excellence which he must on no account fall below? Would young men and young women make themselves ridiculous if, upon choosing this as their vocation, they regarded themselves as having "joined the colors"? Ought not every vocation to have its flag? And where shall we find the banner under which the life underwriters of this country shall organize and go forth to new achievement, and to take a part in this new industrial citizenship, unless it be right here in this organization?

Bureau Holds Managers' School

On the Monday preceding the convention, the Life Insurance Sales Research Bureau opened its 15th managers' school in Detroit, carrying the sessions over to the opening of the National association convention Wednesday morning. The sessions were lengthened and evening meetings added, to enable the full four-day program to be completed before the opening of the big convention. Over 50 managers were in attendance at this school, which is the 15th held in various cities throughout the country. It was given under the direction of John M. Holcombe, Jr., general manager of the bureau, with sessions in charge of H. G. Kenagy, head of the field service department; Ray E. Haberman, head of the service department, and S. G. Dickinson, field representative of the bureau. These bureau men are also to be heard at a managers' session of the convention program Thursday evening.

Schermerhorn Replaces Guest

Instead of Edgar Guest, the Detroit poet, James Schermerhorn is scheduled for the convention program as an outside speaker who will talk in the lighter vein. Mr. Guest was unable to be present, but the program committee has secured in his place this speaker who is nationally known as lecturer and humorist. A former editor of the "Detroit Times," he now devotes his time to platform work and is known throughout the country. His subject will be "Character as a Business Asset," and he will speak Friday morning instead of Thursday afternoon, when Mr. Guest was to have spoken.

C. A. Macauley, Detroit general agent for the John Hancock Mutual Life, gave a luncheon to the members of his agency force at the Book Cadillac Hotel Tuesday noon, also entertaining convention delegates during the day as an informal reception committee.

IN TUNE

When you want to know everything about a man, go to his home town and ask the "home folks" about him. They know him.

It's the same way with an Insurance Company.

The "home folks," and that includes its family of Agents wherever located, are the ones best qualified to tell what kind of a Company it really is.

The cordial good will that always has existed between the American National and its Agents has been the dominant force in making it a leading Company.

Working with rather than for the Company, American National Agents have interpreted American National ideals for integrity and service to policyholders in such a way as to naturally build up good will for themselves as well as their Company.

Ability and willingness to render impressive service year in and year out, in good times and in bad, is the real test of Company co-operation, and the American National has stood the test. It has kept in tune with the interests of its policyholders and field men.

Operating From Coast to Coast, Great Lakes
To Gulf, Cuba and Hawaiian Islands
Conservative Program Every Year

(June 30th, 1928)
Life Insurance In Force
\$511,355,241.00

Assets
\$31,579,550.11

(June 30th, 1928)
Surplus to Policyholders
\$4,045,845.45

Paid Policyholders and Their Beneficiaries Since Organization
\$27,511,299.84

**ORDINARY AND INDUSTRIAL
ALSO HEALTH AND ACCIDENT**

AMERICAN NATIONAL INSURANCE COMPANY

GALVESTON, TEXAS

W. L. Moody, Jr., President

Shearn Moody, Vice-President

W. L. Moody, III, Vice-President

T. L. Cross, Vice-President

F. B. Markle, Vice-President

W. J. Shaw, Secretary

SERVICE OF TRUST COMPANY EXPLAINED

(Continued from Page 4)

the lives of certain key men and which is paid to the corporation upon the death of the key man, but that class of insurance which is designed to protect the surviving partners and stockholders and the dependents of deceased partners and deceased stockholders of corporations, particularly that class known as closed corporations.

Most partnerships are very loose, with verbal or poorly prepared agreements. Many men do not realize that the death of a partner presents a serious problem and that under the law, in the absence of an agreement, partnerships must dissolve and partnership administration had in the probate court; with the disorganization of the business arrangements must be made for new credit and the sale of the deceased partner's interest.

Safeguard Rights of Surviving Partners

It is possible for a contract to be so prepared that the partnership may continue, notwithstanding the death of one

of the partners, and adequate insurance may safeguard the rights of the surviving partner and protect the deceased partner's family from unnecessary loss and trouble by an agreement made during the lives of all the partners, fully protecting each interest. Each partner secures insurance on his own life, in favor of the other partners; the insured partner does not pay the premiums on his own policies, the others paying the premium. An agreement is prepared fixing the manner of ascertaining the value of the partner's interest at stated intervals and providing that, in the event of death of any one partner, the insurance under the terms of the trust is to be paid to the trust company, as trustee, to be paid at once to the deceased partner's estate and his interest in the partnership transferred to the survivors. The business continues uninterrupted, credit is maintained and as the trust company is neutral its action in construing the terms of the agreement is bound to be fair. In addition, as the premiums on the policies are not paid by the deceased partner, the proceeds are not subject to tax.

In case of closed corporations, where the stock is held by those active in the management and development of the

business, and each stockholder puts his money and energy into its development, so long as that plan is followed the business will prosper, but upon the death of one of the stockholders the problem of the disposal of the stock becomes serious. If it passes by will to the widow and children, it means that the survivors not only lose the ability and judgment of the deceased, but are forced to carry a widow and children who can add nothing to the development of the business and, at times, are a positive burden; or if the estate is required to sell the stock, then what?

Deceased's Estate Often Suffers Loss

There is very little market for stock in closed corporations, and in the event the survivors do not buy the deceased's estate suffers a loss, and even though the family continues to hold the stock, experience has shown that the survivors feel that they are forced to carry an unnecessary load, and this frequently results in inside manipulation to the disadvantage of the deceased partner's family.

It is an easy matter to safeguard against these conditions while all are alive and are on a friendly basis. By

securing business insurance the stockholders, while in good health, can agree upon the manner in which the stock shall be valued, from time to time, and an agreement entered into providing that the insurance shall be payable to the trust company, as trustee.

In the event it is desired to retire the deceased stockholder's stock, then the insurance premiums may be paid by the corporation, and the benefits accrue to the corporation but indirectly to its stockholders.

Stockholders Should Enter into Agreement

Or the agreement may provide that the surviving stockholders may purchase the deceased stockholder's stock, in equal shares, or in proportion to the amount of stock held. In that case the premiums must be paid by the stockholders other than the insured. Stockholders should all enter into an agreement for the sale of their stock and deposit it with the trustee, endorsed in blank. The trustee executes a general power of attorney to the stockholder, authorizing him to exercise his rights as a stockholder, with the exception of the right to dispose of it. Upon the death of the stockholder the trustee pays over the proceeds of the policy in accordance with the terms of the trust agreement and delivers the stock to the survivors.

Where the interests and ages of the partners are different, there naturally must be an adjustment of the premiums paid by each.

Special Field Has Barely Been Scratched

I single out this kind of business for the reason that I feel the field has been barely scratched; that it is an opportunity for the life underwriter in the smaller communities to sell larger policies; that while there may be few men in such communities who purchase \$50,000 insurance, there are many partnerships and closed corporations composed of men who should be protected against the burden of carrying the deceased partner's or stockholder's widow and family by business insurance.

This is a time for big business and big insurance; a time when we, as intelligent men, must cooperate with each other, working for a common purpose, each serving his own field but bound by close ties, unselfishly devoting our thoughts and efforts for the benefit and welfare of those committed to our care, that we may insure full and complete protection to the vast wealth you are creating, and merit the lasting respect and confidence of our clientele.

Leo Thomas of Detroit, in former days known throughout the country as one of the outstanding personal producers, is again moving about among the life underwriters. For some time, he has not been active in the life business, having devoted his attention to an outside business venture, but he has frequently stated in recent days that he has not left the life business permanently, but may soon be expected back on the firing line.

—“offers all the tools necessary to a man's success”

AFTER having had experience for nearly a quarter of a century with the Central Life Assurance Society (Mutual), Mr. Larson states this as his conviction: “If a man cannot make good with the Central Life Assurance Society, he cannot make good with any other.” For in his present connection, Mr. Larson says, he has had effective cooperation, the best of sales service and every opportunity for advancement. Or summing it up, “All the tools necessary for any man's success.”

Old Enough

to be thoroughly established

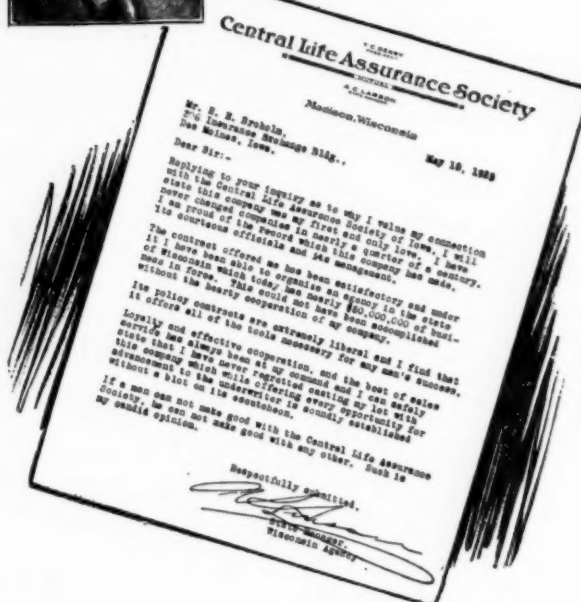
Young Enough

to offer exceptional opportunities

That briefly tells the reason why a connection with the Central Life Assurance Society (Mutual) has proved advantageous to so many men in the life insurance field. We still have many exceptional opportunities for younger men who are willing to pay the price of success in hard work. For to such men we can afford to give our fullest measure of cooperation.



A. C. Larson,
Supervisor,
Central Life
Assurance
Society,
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T. C. DENNY
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GREAT DEVELOPMENT SHOWN BY AVIATION

AMERICA DOING VASTLY MORE THAN EUROPE IS

Will Ride Right Over Insurance If It Stands in Way, Air- plane Maker Says.

By WILLIAM B. STOUT, Detroit
Director Stout Air Services

Things are not always what they seem. And that is particularly true in the line of industry that I represent. Some of you may be surprised in hearing me use the word "industry" as connected with aviation. I might incidentally mention that Detroit has more than \$15,000,000 invested in aviation, so we call it an industry.

The people have looked at an airplane in the air with a sort of suspicion, like a hobo. It has no visible



GUSTAV C. WUERTECH
President New York Association

means of support, you know. And they watch the tottering thing, expecting it to fall over every minute. It doesn't, for some unseen reason. But when you speak of it as an industry, people forget that this business of ours is the only one that makes an asset out of overhead.

America Doing More in Aviation Than Europe

But seriously, I wonder if you realize what is going on in the United States in aviation. You hear so much of what is being done abroad. America is doing vastly more than Europe. The only thing that Europe surpasses us in is the number of passengers carried on passenger air lines and all their passenger air lines are subsidized. The air lines of the United States fly about 20,000 miles per day on regular scheduled service. About 10,000 miles of that is night flying—every night from twelve to fifteen planes in the air all night long, summer and winter. In all of that flying throughout the entire United States in a whole year, we killed less people in aviation than you will kill in four square blocks around this hotel with automobiles.

Something Humorous to Man on the Ground

This morning, as a little diversion, I took my daughter out to the field and we went up in this little blimp and flew around a while. It was quite an experience. We had two of our big planes come up, one with photographers and the other with just a few pilots and fellows who wanted to take a joy

ride. We took photographs of the big ship and the blimp in the air. I remember a cover on "Life" a few weeks ago showing a chap taking a picture of Niagara Falls and leaning out of the door with the camera. They thought it was a funny picture on the cover of "Life," and I remember doing identically the same thing over Niagara Falls not three months previous. For a man on the ground, at that height it is funny. There is something humorous about it. When you get up in the air it means nothing.

No Sense of Height; No Sense of Speed

In the airplane there is no sense of height, no sense of speed, and it is the slowest psychological method of travel there is. You can understand that if I explain my experience in going up to St. Paul not long ago. We were up at a great height, and looked ahead. Here was St. Paul. We could see the white dome of the capitol. It was right ahead like you look from an automobile and see the top of the other hill. We would be there in five minutes. It took us over an hour to get to St. Paul after we saw it. There is nothing more monotonous than sitting there knowing you are going 100 miles an hour, without being able to see you are moving at all. The only thing to do is to go to sleep and wait until you get there.

Many Passengers Go to Sleep on First Ride

While you laugh at that, in our air lines we have sleeping berths on the planes for day travel, couches, all the chairs with high backs to lean back and go to sleep. Forty per cent of our passengers in their first ride go to sleep within half an hour.

As I came in here I saw one of the planes overhead loaded with passengers. I think we have carried about 300 today so far. We have carried 50,000 passengers in that sightseeing work and we haven't called in a doctor yet on anything. I don't know that anybody has needed one as far as I have ever heard in three years of operation on that line. We are running also from Detroit to Cleveland. We ran a whole year from Detroit to Grand Rapids with single-engine planes. We are running now three-engine planes, all metal, carrying as high as 17 passengers, with all the accommodations of a Pullman.

Fight for Chance to Ride in Mail Planes

The air lines of the United States today are mostly mail lines. The mail lines run from New York to San Francisco, both directions, every day, carrying passengers optional. The mail planes are flying. There is room for three or four passengers. If they can get aboard they can go. If you go to Chicago any day—I think it is 7 o'clock at night the planes leave for the west—you will see quite a few metaphorical fist-fights among people trying to get aboard the ships going in every direction, because the demand is far greater than the supply.

There will be many 12-passenger ships put on the line between Chicago and New York shortly. Twelve-passenger planes are being put on between Chicago and San Francisco shortly. You can fly from San Francisco to Los Angeles in three-motored planes on two different lines, and you can fly down to San Diego if you want to.

Fly to Mexico, Havana; Plan South American Line

A chap who had dinner at the house last night said that last Christmas he flew from Tampico to Mexico City with Mrs. Lindbergh, and came back to deliver some more ships. He is going to leave New York shortly and fly to Mexico City. He hasn't anybody to go with him. Maybe some of you would like to go along.

That is the line that is going in for

mail and passengers. They work from Tampico to Mexico City. There is another line from Laredo, following a different line. We have a line from Boston and New York to Atlanta. And there is a line from Key West to Havana, which is shortly to be extended to South America.

Made 94.6 Per Cent on Time Schedule for Year

There are 15 or 20 that are on regular scheduled operation, flying summer and winter. We made last year, on our line, 94.6 per cent on time schedule for the year. I would like to find a railroad that does any better. So flying is not the hit-and-miss thing the public thinks it is. If it were what you think it is, I wouldn't be damn fool enough to be in it.

It is just exactly the opposite from what you think it is. If you get up in the air, open the window and stick your head out to see what is holding you up, you will understand right away that you have just as solid a medium holding you up as you have here in the floor of this building. You may toss around like the surface of the ocean, but you are still solidly held there.

Tells Experience in Flying Over Tornado

About four weeks ago, I was in Minnesota and took one of the planes and flew to Austin for the opening of an airport, 160 miles away. On the way back we had some people who had never flown. There were 11 people in the ship. We saw some bad clouds ahead which looked very black. We were flying about 2,000 feet. We circled to the left to take advantage of the tail wind. After we had gotten back of the clouds, the chap across the aisle called across: "Look over here! There is something going on!"

I looked over just in time to see the roof of a barn go skating across the field, and the billboards going down. We had caught the tail of the tornado.

Insurance Less in Cellar Than Airplane

About the same time I saw what was going on. I began to feel what was going on. The plane jumped up and down. We were between the floor and the ceiling for a few minutes, until we got a hold of the chairs and held ourselves down. In a few minutes we got used to the motion and watched the fun. We were many times more safe in the air in the tornado than we would have been on the ground. We might have

tried to get shelter in the barn and had the roof fall on us.

There was a woman who went to the cellar for protection from the tornado, and the chimney fell on her and she was killed. I suppose the insurance would be less in the cellar than in the airplane.

Taking Guesswork Out of Airplane Itself

You know we are taking a great deal of guesswork out of the airplane itself. You may be interested in knowing the way the airplanes are designed. After the preliminary investigations and calculations are made, we make up a small model, about an 18 or 20-inch model, in solid wood. We don't care how heavy it is, but it is the exact shape of the plane we are going to build. We put it in a wind tunnel that will blow wind past it at a great speed.

The engineers send back to us from this model what speed they are going to get, how to balance and control and every detail of what we want in the aero dynamic part of this ship, so if we do what we say we can do in the matter of weight, then they will tell us exactly what the plane will do. But if we say that plane is going to weigh 5,000 pounds and get it done and it weighs 6,000 pounds, your calculations are all off, so you might as well do them all over.

Two Factors Involved in Airplane Building

So there are two branches. The first is the aero dynamics. You see how the air is going to fly by, how fast and how it is going to control. The second thing is structure. It is easy to design the ceiling of this room with all this art work. You can get an artist to do that. That is the equivalent of aero dynamic stuff. But what is the use of that if it won't stay up and falls on your head? What is the use of a perfect aero dynamic ship if the wings come off? So structure is the basic thing in the design of an airplane. We go at it now in the same way you design the truss of this building. When we get through we know how many tons it will hold.

Method of Testing Planes Described

You couldn't quite put one of the planes we are building in this room. It is 600-horsepower, weighing over two tons, about the same as a Lincoln or Cadillac automobile. The wings will support a sand load of 18 tons without

IT'S CONTAGIOUS---and it's
Nation-wide---because it's the
finest approach medium ever
used by a Life Insurance Agent.

Our Demonstrators secure immediate
interviews.

Policyholders want the Service at
Sight.

Full Information at Our Booth

The Guhne Service

ST. LOUIS, MO.

In the Crystal Ball Room

breaking down. So you don't need to be afraid of them blowing off.

This is the way we test a plane. We turn it upside down, pile sand on it, the same way the air will support it, only about six or eight times as much sand as you will get in weight of air on the wing. So we don't guess at the structure any more. There you have the structure worked out.

Planes Are Now Built Automatically Balanced

Then the planes are built automatically balanced. It is much easier to fly than ever before. We had a chap come out to the field not long ago who was not a pilot. In fact, he had never been in a plane before. He was quite influential and interested in an airplane. He said, "Are these planes very hard to fly?" We said, "Come along and we will show you."

A bunch of us went up. Three or four pilots were with him to show him what was going on. He sat in the front, in the second seat with the pilots. The pilot sat at one side and worked the wheel, while he gave the man on the other side instructions. The pilot showed him that when he turned the wheel this way it pulled the wing up and kept it level. If the plane dropped he should pull up. If you want to go down, you should shove forward and the plane will go down. He explained it, and the chap tried it out. He tended to get one wing lower as newcomers always do. He finally got an idea and turned to ask the pilot a question. The pilot had gone back into the cabin with his buddy.

We took a chap up not long ago, who had never flown before. He flew us all the way to Dayton. All we had to do was tell him where to go.

All Can Fly, But Not All Transport Pilots

It takes a lot longer to learn to navigate than to learn to fly. You can learn to fly in about the same length of time you can learn to play golf. We can all play golf, but we can't all be golfers. We can all fly planes but we can't all be real commercial transport pilots. They are different from the man who flies his own ship for his own amusement. But we are coming to an age where there will be air lines in every direction carrying tremendous numbers of passengers, not in competition, but in cooperation with the railroads and other lines. The railroads took 50 years to develop. The automobile came in 25 years. The radio was a giant industry in five years. And in equal periods of time this aviation thing will surpass all these others in the amount of money invested.

Sees More Gas Bought for Planes Than Motor Cars

We are going to have more gasoline bought for airplanes than for motor cars in comparatively few years. We will have more money invested in airports and air lines on the ground than we now have invested in our transcontinental and main highway roads. And we will have more money invested in airplanes than we have in our motor buses and trucks on the roads today for commercial work.

The private-owner plane will entirely revise our methods of building cities in a far greater way than the automobile revised our way of building cities. If you want to visualize the difference between an automobile city and a horse city, think of the rubber stamp houses of Philadelphia and Baltimore and Washington, where a man even if he is sober has to know the number to find his home, and a city like Detroit, built since the day of the automobile, spread out, with plenty of air, plenty of light, with entirely different city struc-

ture than the cities built during the horse days.

Then visualize the city of the future. Remember, 90 per cent of the flying is done west of the Mississippi River. Think of the cities there built around a series of airports. You can even visualize a city of reverse arrangement from the present time, where instead of city blocks with streets around them, the streets will be filled with houses and where the houses are now will be an open place to land.

And you will see within 20 years cities of that kind, with a string of airports. There isn't an airplane company in the country that I know of that couldn't have built five times as many planes this year as they did if they could have gotten engines. The sales are unlimited.

Tremendous Market for Anything That Will Fly

We have a plane out there we will sell for \$49,000. It costs about \$100 an hour to keep it in the air. I don't see why in time anybody should buy one, do you? We have been building one a week out there and are about 40 weeks behind on orders. We have no salesmen and pay no commission. We are now building three of them a week and we

are still behind. So there is a market and a tremendous market for anything that will fly and perform a service. The job today is to bring aviation to where we can prove that we can give the country this service and give it safely and accurately, and then the second stage is to learn how to make money doing it.

Possibilities for Making Money on Airplanes

I might quote a number of answers to that. I see some smiles around on the idea of making money on airplanes. As I said we have carried 50,000 passengers in the last year in the sight-seeing trip over the city. Just think it over—at \$5 a trip. I bought some stock in a western line a few years ago. I wish I had taken more of it. They started out with \$289,000 and made capital. They have about \$450,000 in capital now, and are earning net of \$25,000 a month. I went into a little proposition in aviation not long ago. It lasted five months and sold out 20 to 1. I went into another one that is now a year and a half old. It is quoted at about five to one a day. There was one little airplane plant near Detroit. We started less than two years ago. I

think the capital is \$89,000, something like that, and it netted \$30,000 last month, and has been doing that consistently for some time. I didn't say last year, last month.

If Insurance Gets in Way—Ride Right Over It

So this thing is coming and it is coming in a commercial way and now that there are commercial rewards for aviation it cannot be stopped, and if there is any organization that gets in the way of aviation, whether it is insurance or anything else, this thing is going to ride right over them, and I just want to give you warning.

You hear of accidents in the paper, and you will read them, lots of them. You read lots about automobile accidents, but that goes in one ear and out the other. You haven't got used to people being killed with airplanes yet. When you hear of these accidents check up on them. You will find the accidents are with the old war-time ships, the old flying crates that should have been burned up years ago, the type of equipment that should not be flown and is fast fading out and new equipment coming. Nevertheless, the accidents are with that type of plane or military plane.

WHY ARE SPRINGFIELD LIFE AGENTS SUCCESSFUL?

Operating in

OHIO

MICHIGAN

INDIANA

ILLINOIS

MINNESOTA

IOWA

MISSOURI

KANSAS

OKLAHOMA

TEXAS

CALIFORNIA

The Answer is simple. Ours is a Company that is sincerely interested in its Field Workers. An interest that is more than cleverly written advertising copy for publication in the Insurance Journals. Our Executive Family believe and know that successful Agents are the very bone and sinew of the Company. To serve them 100% is their one thought.

Our Service is not mere idle chatter. It is a real effort to issue a policy on every insurable person. We issue both Standard and Sub-standard. Our occupational ratings are fair and liberal. Men and women are accepted on the same basis.

We issue all standard forms of old line, legal reserve, participating annual dividend policies. Our net cost is on a low competitive basis. Every policy we issue may be sold with premiums payable annually, or in semi-annual, quarterly or monthly installments, from the first year on. We have had 32 years experience with monthly premiums and have the necessary equipment to handle such business.

We write non-medical on very favorable conditions. Regular adult policies are issued to children from nearest age 10 up. We have a new policy for \$1.00 a month, issued to Children as low as 6 months and adults up to age 60. Our Agents are writing the entire family. Have you ever considered what this might mean to you?

Our Agency Contracts are liberal and fair. Non-forfeitable renewals are given without a service clause in the contract. We pay an exceptionally high second year renewal.

Specific information will be given upon request.

Why not Serve and Succeed with The
Springfield Life
Insurance Company
 Springfield, Illinois

A. L. Hereford,
President.

C. Hubert Anderson,
Superintendent of Agencies

LEGAL ACTION TAKEN IN YEAR REVIEWED

SOLONS WERE BUSY IN NUMBER OF STATES

Special Sessions of Several Legislatures Scheduled for This Fall.

By HENRY J. POWELL
Chairman Law and Legislation
Committee

Regular state legislative sessions to the number of nine, and special state sessions to the number of eight, as well as the usual session of Congress occurred this year. All of these sessions have now adjourned. Several special



HENRY J. POWELL, Louisville
Chairman Law and Legislation
Committee

sessions of state legislatures, however, are anticipated in the autumn. Among these are California and Mississippi.

Bills relating directly or indirectly to the life insurance business introduced this year totaled 1,050. This number may be compared with 1,200 introduced during 1926, the last comparable year, when about the same number of sessions were in action.

Life Insurance Again Made Target

Life insurance premiums again were the subject of tax increase proposals. In three states attempt was made to increase the state premium tax, Kentucky 2 percent to 3 percent; Nevada no tax to 1½ percent, and South Carolina 2 percent to 3 percent. In Louisiana, a state income tax proposal applicable to the insurance business was also introduced. None of these proposals, however, were enacted, and in each instance, through the joint efforts and thorough co-operation of various life insurance interests, and especially the vigorous and effective work of life underwriters, the members of the legislatures were convinced of the gross injustice of imposing such increased burdens upon life insurance policyholders. The Kentucky proposal had unusually strong influence behind it, since it was a part of the governor's program to supply free text books. The opposition of life insurance organizations to that bill was characterized by whole-hearted co-operation on the part of all life underwriters, and largely through their efforts the bill was finally defeated.

The Virginia legislature re-enacted its usual revenue bill but did not include the special one-eighth of 1 percent addi-

tional tax on insurance premiums which was originally adopted in 1924 as a temporary measure, with the result that the insurance tax rate in Virginia has been decreased by one-eighth of 1 percent.

A strict residence requirement for insurance agents in Mississippi, which had previously been held applicable to life insurance agents, was amended so as to permit the licensing of non-resident life agents on the reciprocal basis. Under this amendment, Mississippi will now issue life agents' licenses to residents of other states which will so license residents of Mississippi. This change is in accordance with the attitude of the National Association of Life Underwriters, approving modification of all strict residence requirements for life agents.

Agents' License Law Enacted in Mississippi

A new agents' license and qualification law was enacted in Mississippi, permitting the insurance commissioner to grant licenses only after obtaining information regarding the character and former occupation of the applicants, and after he has been satisfied of the agents' qualifications.

Louisiana also enacted a new law permitting the licensing of non-residents as life insurance agents on the reciprocal basis. A bill was defeated in this state which would have imposed upon industrial agents an annual license fee of \$250, and would have required them to furnish a list of agents operating under them. Another bill was rejected by the Louisiana legislature which would have provided that all insurance companies be charged with the knowledge of agents.

Two agents' license bills were defeated in South Carolina. One would have increased the fee for agents' licenses from 50c to \$5 and the other from 50c to \$2.50. An amendment to the annual appropriation bill in this state, which would have imposed an additional agents' fee of \$2, was also defeated.

A provision permitting group insurance for the state officers and employees was adopted in South Carolina.

Massachusetts Solons Amend Some Statutes

Massachusetts amended the law in that state relating to the exemption of life insurance proceeds from claims of creditors, bringing the law of that state more nearly into conformity with a similar New York law enacted last year. Massachusetts also amended its laws clarifying the statute imposing penalties upon those who act as agents or brokers without being duly licensed. Another new Massachusetts enactment permits the commissioner to issue limited licenses to insurance agents where the agent acts for a multiple line company. Massachusetts also authorized group insurance covering members of labor unions, and in another new enactment now expressly permits companies to pay so-called post-mortem dividends.

Kentucky amended the statute relating to the attachment of the application to the policy, and now permits the use for this purpose of a photostatic copy of the application not less than six inches by eight inches in size. If copy of medical examination is also attached, it is subject to the same provisions. An unusual bill was introduced in this state which would have required agents to read the policy provisions to illiterate insureds. This bill made no progress in the legislature.

Several complete insurance code bills for the District of Columbia failed of enactment.

In Rhode Island four bills supplementing the present insurance code, and carrying out the recommendations of the code commission, in which life

EDUCATIONAL WORK REVIEWED

The report of the educational committee, presented by Miss B. B. MacFarlane of the Pan-American Life, chairman, included separate reports from eight of the nine members of the committee in regard to the educational work that has been carried on in their respective communities. In summarizing the showing thus made, the report says:

"Houston, Boston and Cincinnati, while far apart geographically, are very close together on ideals and practices along educational lines. Educational courses are becoming a major part of the equipment furnished to underwriters by many life insurance companies. Weekly classes are being conducted in many agencies, using the home office courses, and supplementing them with other standard courses on life insurance."

Reports on Work in Various Cities

Miss MacFarlane herself reports for the work done in New Orleans and vicinity, similar reports being made by C. Vivian Anderson, Cincinnati; A. C. Crowder, Birmingham, Ala.; A. R. Edmiston, Lincoln, Neb.; Guy MacLaughlin, Houston, Tex.; J. Arthur Pino, Lansing, Mich.; J. H. Russell, Los Angeles; E. J. Sisley, New York; Mansur B. Oakes, Indianapolis, and John P. Muir, Boston.

Comments, Suggestions, Recommendations

Mr. Crowder in his report suggested a life insurance section in the public libraries. Mr. Pino calls attention to the need for lecturers to meet the demands of the high schools. It is suggested that it would undoubtedly be of untold benefit to some of the local associations if the National association would be able to perfect some plan whereby it would be prepared to meet the request for lecturers.

President Myrick recommends that the local associations working with the national educational committee work out a program of education to be recommended for the use of the local associations at their meetings and special meetings—educational course in high schools, civic clubs, women's clubs.

underwriters were actively interested, were introduced. Three of these clarifying and broadening the present law were enacted and one failed to become law.

New York Broadens Investment Provisions

New York enacted a new law broadening the investment provisions for life companies to permit the purchase of preferred and guaranteed stocks where the corporation has earned 4 percent on its total capital stock for each of the five preceding years. A bill providing for consent of insured, if other than insured procured the insurance, to be endorsed on policy, failed of passage. Another bill which made no progress allowed written protest of relatives to prevent an autopsy.

The new federal revenue bill enacted by Congress reduced the rate of tax on life insurance companies from 12½ percent to 12 percent, it now being the same as one other corporations generally. No other changes in provisions relating to life insurance were made. An amendment to the revenue bill was proposed in the Senate for the purpose of including capital gains and capital losses in the computation of net taxable income of life insurance companies. This amendment, however, was defeated.

chambers of commerce, Rotary, etc. The report makes these recommendations:

"Each local association should have a committee on education, and I would strongly recommend the formation of such a committee in all associations where one does not exist at the present time.

Recommendations Made by Committee

"Wherever possible, where weekly classes are held, it would seem an added advantage, in addition to the home office course, and other standard courses which are being used, to devote a certain portion of time to reading the life insurance books which are recommended by the American College of Life Underwriters."

Cooperation with women's clubs is urged, and the especial commendation is given to the work that has been accomplished by Mrs. Pritchard of the Iowa Federation of Women's Clubs.

The report also includes news articles published in The National Underwriter



MISS B. B. MACFARLANE, New Orleans
Chairman Committee on Education

and other insurance papers regarding specific educational activities carried on in various cities.

DETROIT WORK WELL HANDLED

The convention arrangements were admirably handled by the Detroit local committees. Ernest W. Owen, Sun Life of Canada, was general chairman, and Robert M. Ryan, Equitable Life of New York, associate general chairman. Edwin W. Baker, Aetna Life, who is president of the Detroit Association of Life Underwriters, also acted as chairman of the attendance committee. The other committee chairmen were: Finance, John G. Morey, Guardian Life; radio, A. P. Ballou, Mutual Life of New York; program, Robert M. Ryan; publicity, Frederick A. Smart, Equitable Life of Iowa; banks and trusts, Harry T. Miller, New York Life; registration, John W. Yates, Massachusetts Mutual; transportation, Will S. Reeve, Union Central; open session, J. Fred Lawton, Connecticut Mutual; golf, Nathaniel Reese, Provident Mutual; entertainment, Don McKinnon, Provident Mutual; reception, Norton Ives, State Life; special guests, W. O. Baldwin, New York Life; reservations-hotels, Guy A. Reem, Canada Life; state committee, H. Wibirt Spence, Mutual of New York, Grand Rapids; blind underwriters, Ellsworth G. Smith, Mutual Life of New York; women underwriters, Mrs. Philomene O. Altman; ladies' entertainment, Mrs. Edwin W. Baker.

STRENGTH, WEAKNESS IN AGENCY SYSTEM

IS BIGGEST FACTOR IN MAKING AMERICA LEADER

**Frank L. Jones Compares Methods
Followed in England and in
This Country.**

The advantages and disadvantages of the American agency system were brought out by Frank L. Jones, now vice-president of the Equitable Life of New York and a former president of the National association, in a brief talk Thursday morning. Referring to the remarks of Tsutomu Inada, assistant secretary of the Meiji Life, Tokyo, Japan, who spoke just before him, he said:

"I was interested in the fact that our friend from Japan intends to go from here to England to study life insurance methods. I had the great pleasure only within the month of addressing a group of life insurance men in the city of London, Eng. When the call went out for that meeting there was no such body as this to address. There was not even a local association of life underwriters through which invitations could be extended. And so in a sort of haphazard fashion invitations went out to officers of companies, to actuaries and to underwriters, and we had there a sort of mixed gathering, men who are interested in all of the phases of life insurance.

Vast Difference Between Conditions in Two Countries

"My talk to them was on the subject, 'The American Agency System.' You probably don't understand unless you have been in England, and I didn't understand until I went there a short time ago, what a vast difference there is between the underwriting conditions of that great country and similar conditions in this country. Something more than a half, I have been advised as much as two-thirds, of all of the legal reserve life insurance written in the entire world is written right in the United States of America. I can't vouch for those figures, I haven't checked them up, but certainly it is true that more than half of it is written in the United States.

"There is no other explanation than that the American agency system is better. It is at once our greatest strength and likewise our greatest weakness, because the thing that deters us yet is the inefficiency of the agent and the thing that puts us forward most is the efficiency of the agency system, considering the agent collectively.

Would Make Agent a Welcome Guest

"We haven't done in this country yet what we need to do, train the agent so that when he goes into the office of the business man and into the home of the resident he will be a welcome guest. The barrier that is built between the public and the agent, by virtue of the fact that the agent is not yet recognized as he will be, is the outstanding weakness in our system today.

"There are many movements in progress such as this association movement, courses of study offered by your respective companies, correspondence courses offered independently, courses of study in about 125 colleges, and last and greatest of all, the American College of Life Underwriters, which is just beginning to function. All of these are factors in the improvement of the status of the agent. We hope he will continue to avail himself of all of these facilities."

TRUST IDEA IS FEATURE TOPIC

(Continued from First Page)

In life insurance trusts were eight times the 1923 total.

There was a break in the consideration of this subject when Theodore M. Riehle of New York, general agent for the Equitable Life and a million dollar personal producer, repeated the talk he gave before the million dollar breakfast, showing the use of modern selling methods by an outstanding producer.

Conserving and Managing Proceeds

A. Rushton Allen of Mellor and Allen, Philadelphia, general agent for the Home Life of New York, spoke on conserving and managing the proceeds of life insurance policies. He gave the basic purposes for which life insurance is sold, showing the settlement plans which best conserve these interests. The trust agreement was stressed, but Mr. Allen also showed the applicability in some cases of other forms, life and annuity. He particularly urged that settlement plans be kept simple, so that the client is not left a lawsuit instead of an income.

The concluding talk of the session was by Dr. John A. Stevenson, until recently vice-president of the Equitable Life of New York and now Philadelphia general agent for the Penn Mutual Life. Dr. Stevenson spoke on the proper place of life insurance in the economy of the home. He said it is the foundation of the home and it has expanded almost in proportion to the extent which family life has grown as a factor in civilization.

Representatives of most of the insurance organizations of the country, present as guests of the convention, extended the greetings of those they represented at the opening of the Wednesday session. President Julian S. Myrick introduced these men and voiced the good will of the agents to these other groups of those interested in life insurance and its development.

Urges Toronto as 1930 Convention City

J. J. McSweeney, former president of the Life Underwriters Association of Canada, spoke for that organization, and in his brief message urged the American Life Underwriters to look to Toronto for their 1930 convention. He expressed the international good will of the two countries as represented by the cooperative efforts of several years past and said the Canadians want their southern brothers in arms to join with them in the 1930 convention.

The American Life Convention was represented by Claris Adams, general counsel, and Clarence L. Ayres, president of the American Life of Detroit and a member of the executive committee. As Mr. Adams was slated for a speech later in the program, Mr. Ayres gave voice at this time to the greetings from the American Life Convention. He particularly paid tribute to the late Thomas W. Blackburn, formerly general counsel, and always on hand for the National conventions prior to his death. The entire convention gathering rose in silent tribute to Mr. Blackburn.

Terrence F. Cunneen, manager of the insurance department of the United States Chamber of Commerce, spoke for that organization, telling of its interest in the work of the agents and desire to help in every way possible. The only major organization not represented was the National Convention of Insurance Commissioners, and Mr. Myrick took occasion to say that he regretted not having drafted the esteemed official of New York state to be present for his group.

An international aspect, even beyond the Canadian atmosphere, was injected by the presence of a Japanese company official. Mr. Myrick introduced Tsutomu Inada, assistant secretary to the Meiji

Life of Tokyo, who extended greetings from across the water and told of the high regard in which American life insurance is held in Japan. Mr. Inada further reflected the growing scope of the business, as he is en route to England to study the business in that country.

Tribute to the American agency system was voiced by Frank L. Jones, a former president of the National association and only recently elected vice-president of the Equitable Life of New York. Mr. Jones referred to the international phase of the business as voiced by Mr. Inada, and told of his own recent study of life underwriting in England. He said that he had discovered that the American agency system is at once the greatest strength and the greatest weakness in the business. Its weakness is in the present deficiencies of the agents, while its strength is in the efficiency of operation and promise for the future. Mr. Jones said the agents have not yet been recognized as they will be, and this one great barrier to development will be removed.

Holcombe Sees Improved Work by Agents

John M. Holcombe, Jr., manager of the Life Insurance Sales Research Bureau, spoke for that organization and was warm in his praise of the improved work of the agents, including the planning of this convention program. Mr. Holcombe, who represents the keenest development in modern methods, said the agents are adopting these new ways and doing so to their advantage and the benefit of the business.

Hull Talks on New Industrial Citizenship

Roger B. Hull, managing director and general counsel of the National association, speaking on "The New Industrial Citizenship," stressed the development of a social and moral consciousness in the field of "big business" in America, declaring that these factors will animate and inspire the new business leadership in America.

He urged that life insurance should take advantage of this development. He pointed out the need for better trained men to meet the changing conditions and said that consideration should be given to the question of institutional advertising.

EDWARDS RAPS BEHA'S POSITION

Sharp criticism of the activities of Superintendent Beha of the New York insurance department in connection with the proposed revision of section 97 of the New York laws was voiced by J. Stanley Edwards, Denver general agent of the Aetna, speaking informally before the press breakfast Wednesday morning. Mr. Edwards spoke as an agent and not as an officer or ex-officer, being an ex-president of the National association. Voicing his personal views, he said that agents in the "country" districts were not at all pleased with the attempts of the New York department to run the life insurance business throughout the country. He said that metropolitan New York and such western districts as Colorado and Wyoming, with which he is familiar, are entirely different entities and what rules in one is not applicable in the other, yet the proposed changes would affect these western agents just as rigidly as those in New York. He said that the huge incomes so often mentioned as cause for curbs are myths in the west and as a matter of fact there is much difficulty in keeping even. Under the proposed law, he said, it would be next to impossible for agents to prosper.

Walter Webb, agency vice-president of the National Life, U. S. A., was among the company officials seen on the convention floor.

STOUT'S TALK MAKES BIG HIT

William B. Stout, of Detroit, director of the Stout Air Services, the aviation end of the Ford organization, made a tremendous hit with his address Wednesday afternoon on "The Airplane of Today and Its Influence Upon Our Economic Progress." Mr. Stout is an unusually entertaining speaker and held his audience equally with his presentation of facts showing the growth and importance of the aviation industry in America and the unexpected humorous twists which he gave to many of his statements. He started out with an entirely grave face with a Swedish dialect story on an aviation experience and had many of his hearers guessing as to whether that was his normal style of speech. When he concluded his story and swung into his regular speech, he said he was rather surprised that more of the audience had not left, but that it merely proved that things are not always what they seem, and then immediately applied that statement to aviation.

Discusses Reduction in Aviation Accidents

There was nothing about insurance in his speech, with the exception of his statement that if there is any organization that gets in the way of progress in aviation, be it insurance or anything else, "we're going to ride right over them." However, the interest that is being taken just at this time in aviation from the insurance standpoint made his topic a timely one for an insurance gathering.

His remarks on accidents in aviation were, of course, of especial interest from the insurance angle, as he explained in some detail the present methods of plane construction, which eliminate guesswork and add greatly to the element of safety. He told of the remarkable record of the Ford service in carrying passengers without an accident, both in the sightseeing trips over Detroit and in the inter-city runs from Detroit to Cleveland and other points, and in connection with the emphasis laid by the newspapers on aviation accidents pointed out that people have not yet become used to having people killed by airplanes, as in the case with automobiles, but that more people are killed and injured by automobiles within four blocks of the convention headquarters than in all the aviation accidents over the whole country.

At the conclusion of his address, President Myrick said he hoped those present would take this practical talk back to their companies and tell them to get busy and get up to date.

He emphasized at the outset that aviation has reached the point where it is entitled to be classed as an industry, "the only one that makes an asset out of overhead," and said that America is now really doing much more than Europe along that line.

Full House for Second Session

While the convention room was not entirely filled for the opening session, when there were no formal addresses scheduled, all of the delegates were anxious to hear the strong program prepared for Wednesday afternoon and the crowd filled the main convention hall, another adjacent room which was opened up, and the balconies. There was not much space to spare when all of them were in but the crowd was accommodated very comfortably. Amplifiers were placed in various parts of the room so that those even in the farthest corners had no difficulty whatever in hearing the speakers. It was warm enough in the convention room, particularly when all the windows had to be closed during a sudden shower, so that a number peeled off their coats.

The National Underwriter

LIFE INSURANCE EDITION

Paul Clark Is Elected President

MEETING ENDS; INTEREST HIGH

CONVENTION SUCCESSFUL FROM EVERY STANDPOINT

Strong List of Speakers Friday Rounds Out Well Bal- anced Program.

*Convention Headquarters,
Book Cadillac Hotel, Detroit, Sept. 14*

The 39th annual convention of the National Association of Life Underwriters ended here today, after one of the most successful meetings in the history of the organization, from the standpoints of the character of program presented, attendance and interest manifested in the proceedings. There was no let-down in any of these respects at any point throughout the meeting. The registration was well over 1,500 and a notable feature of the convention was the way in which this big registration stuck to all of the sessions.

Julian S. Myrick, retiring president, handled the business of the convention very efficiently and was largely responsible, with his co-workers on the National association official staff, for the signal success of the convention. The local committees, headed by Ernest W. Owen, chairman, deserve the greatest credit for their work in connection with the smooth running of the entire meeting.

Agents Need Correct Apprehension of "Service"

Harvey Weeks, of Buffalo, the first speaker this morning, laid emphasis in his address on the need of a correct apprehension by agents of life insurance service, not as a by-word, but as something that a client will actually appreciate when it truly serves his individual situation.

As a keynote to centralize the correct idea, his agency uses the by-word "Oats." This stands for oral anecdotes, testimony and stories. The substance of the whole attack is testimonials, oral and written or printed. Mr. Weeks quoted an advertising man on the assertion that nothing superior to the old-time patent medicine advertising is yet known. His agents are trained to use some instance where a policyholder has expressed appreciation of what was done for him in fitting life insurance to his actual needs. The use of a name, especially a well-known one, makes an impression. To "give" "em the oats" is simply to give the prospects the anecdotes, testimonials and human stories drawn from actual cases.

Reports on the progress of the work in connection with the American College of Life Underwriters were made by Ernest J. Clark, its president, and Dr. S. S. Huebner, dean. Mr. Clark took up this work from the administrative side, telling of the progress made in organization and the advance steps taken by the college board at its meetings in Detroit this week. Dr. Hueb-

NEW OFFICERS ELECTED

PRESIDENT

Paul F. Clark, Boston, John Hancock Mutual Life

VICE-PRESIDENT

S. T. Whatley, Chicago, Aetna Life

FIRST VICE-PRESIDENT

C. C. Day, Oklahoma City, Pacific Mutual Life

SECOND VICE-PRESIDENT

George W. Ayars, Los Angeles, Phoenix Mutual Life

THIRD VICE-PRESIDENT

E. S. Brashears, Washington, D. C., Union Central Life

FOURTH VICE-PRESIDENT

E. J. McCormack, Memphis, Minnesota Mutual Life

SECRETARY

Ernest W. Owen, Detroit, Sun Life of Canada

TREASURER

Charles A. Foehl, New York, Prudential

CHAIRMAN EXECUTIVE COMMITTEE

Julian S. Myrick, New Mutual Life of New York

NEW LEADER IS GIVEN OVATION

SPECULATION IN LIFE COMPANIES CONDEMNED

McCormack Resolution Adopted by Convention; Bragg Again Heads Program Committee.

*Convention Headquarters,
Book Cadillac Hotel, Detroit, Sept. 14*

Paul F. Clark, of Boston, is the new president of the National Association of Life Underwriters, being elected to that office at this morning's session, when the report of the nominating committee was presented and carried through by acclamation. The new vice-presidents include S. T. Whatley, Chicago; C. C. Day, Oklahoma City; George W. Ayars, Los Angeles; E. S. Brashears, Washington, D. C., and E. J. McCormack, Memphis, with Ernest W. Owen, of Detroit, as secretary, and Charles A. Foehl, New York, treasurer. The new president was escorted to the platform after his election and was given a tremendous ovation.

Insurance Career Of New President

President-elect Clark is probably the youngest man ever selected to preside over the destinies of the National association, being but 35 years old, but has demonstrated his capacity for leadership, both in building up his agency for the John Hancock Mutual Life in Boston and while serving in other capacities on the official roster of the National association. He comes of an insurance family, having started his insurance career in Baltimore in 1914, after graduation from the University of Pennsylvania, in the agency of his uncle, Ernest J. Clark, who is a former president of the National association and long one of the leaders in its activities. At the end of four years, when he was only 25, he had already become the largest personal producer for the John Hancock. He remained in Baltimore six years, serving for the last three years of that time as assistant state agent for Maryland and the District of Columbia.

He was called to Boston to take charge of the home office general agency in 1921, when 28 years old, and has built there a \$20,000,000 agency, with \$10,000,000 in group production. He is still a million dollar personal producer and has presided at the Million Dollar Round Table sessions at the last two National conventions. He has long been active in association work, both local and national, serving for four years as a vice-president of the National association and two years as chairman of the program committee.

Hugh D. Hart, agency vice-president of the Penn Mutual Life, and Ernest J. Clark, Baltimore general agent for the John Hancock and an uncle of Paul

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ner's report was from the educational angle, reviewing the requirements for the C. L. U. degree and what it means to a life underwriter to have that degree. He told of the great interest manifested in it throughout the country, indicating that there will be an exceptionally large number of candidates who will take the next examination. He also emphasized the international character that it has already attained, correspondence thus far received indicating that candidates from at least three foreign countries will take the examination in December.

James Schermerhorn, of Detroit, former editor of the Detroit Times, but now devoting himself entirely to platform work, who is nationally known as an inspirational speaker and humorist, made a strong impression on the convention with his address on "Character as a Business Asset."

Bruce Barton, of New York, author, magazine writer and advertising expert, closed the morning program with his address on "Broadcasting the Story of Life Insurance Through Cooperative Advertising."

How Life Insurance Can Protect Business Interests

Speaking at the afternoon session on "Life Insurance for the Protection of Business Interests," Dr. Charles J. Rockwell, of Chicago, head of the Rockwell School of Life Insurance and editor of the "Insurance Salesman," emphasized the fact that the human element is as vital a factor in the success of a business enterprise today as the property element, and that its very nature demands protection against the loss of that human element. He pointed out that life insurance is of as great value in promoting the success of a going concern as in minimizing disaster or

as a shock absorber in the case of terminated business ventures, the uses for which business insurance has been especially stressed heretofore. He outlined in some detail the specific services that it can render in that connection and brought out further that this service is not limited to the big corporations but applies equally to the smaller companies or partnerships.

Claris Adams Gives Inspirational Talk

Claris Adams, secretary and general counsel of the American Life Convention, was the last formal speaker on the program, bringing to a close a three-day session of oratory on the manifold contacts of life insurance and its important position in each of these other phases. "Life Insurance and the Nation's Welfare" was his topic, and Mr. Adams told of the vital position of life insurance in the entire social structure. Its economic, political, social and spiritual value was strikingly pictured, and this silver-tongued orator from the Hoosier state held the great convention audience to the last with his platform ability.

Following the presentation of degrees to graduates of the American College of Life Underwriters, an alumni association was formed to perpetuate its works and aid in its extension. O. Vivian Anderson of Cincinnati was elected president and William M. Duff of Pittsburgh secretary. Also at the Friday session, at the announcement of plans for the Edward A. Woods endowment fund to aid the American College work, floor contributions of over \$13,000 were made before the association president could check the enthusiasm. The fund is to be \$100,000 and the immediate enthusiasm guarantees the early pledging of this total.

Managers Study Better Methods

AGENCY MANAGEMENT RECOGNIZED CAREER

REQUIRES PLANNING TO BE DONE ADEQUATELY

Many Men Who Can Sell Life Insurance Not Fitted to Build Agencies.

By JOHN MARSHALL HOLCOMBE, Jr.
Manager of the Life Insurance
Research Bureau

We have used the phrase in the last few months "agency management" or the job of the manager, the new career in life insurance. It seems to us as we go around the country that there is every evidence that this new career is being very rapidly recognized. If this is a new career in life insurance it seems to us equally true that it requires planning in order to be adequately done.

A great many men should not build an agency. We think that the growing recognition of the difference between selling life insurance and managing an agency will make for distinct progress in showing many men that they are not fitted to build agencies although they may be well fitted to sell life insurance.

Several Goals in Making Plans for Agency

It seems to us there are several goals in making a plan for an agency. The first step it seems to us is to locate the goal that you wish to reach. To many of you that seems that even a statement of that proposition carries its own answer that the goal is a larger agency, that it is a larger production in 1929, that it is \$8,000,000 where previously you did \$7,000,000. It seems to us you ought to break up that goal into very much more clearly defined units than merely to say you want to write more business.

First it seems to us in finding your goal is to find out what your company is giving you in the way of geography. What does your franchise cover? It seems to us that you first ought to study the territory that has been given you, whether it is a city or whether it is one of the great western states, because only in the light of a careful study of what you have been given in the way of territory can you build an agency that will properly cover that particular part of the United States.

When it comes to production it seems to us that a much more important goal than the goal simply of new business is to tie up with the new business goal the matter of the increase in insurance in force in your agency. I know when I say that that I am certainly talking about something about which many agencies do not even know. I have asked many agents how much business they had in force and was told they did not know. If you take two steps forward and slip back two steps you are not making progress. The agency that can write \$2,000,000 and terminate approximately \$2,000,000 is in exactly that position. In other words preventable terminations are something that you most certainly should watch even if you are only considering the goal of production.

But there is another goal. If you are to have production you must certainly have personnel. What is your goal in your own particular case on

RESOLUTION ON COMPANY CONTROL

Whereas, Life Insurance through its incomparable service to millions of insured and beneficiaries, and its stewardship of their funds, has become the greatest economic institution of the age, and

Whereas, The nature of this trusteeship demands adherence to the highest and most rigid code of ethics and ideals; now, therefore, be it

Resolved, By this association in convention assembled, that we, the field men of the companies of these United States, condemn the activities of speculators and manipulators, whether within or without, who secure the control, promote sales or mergers, or bring about changes of operating plans of companies for the sole purpose of personal gain and profit, and be it further

Resolved, That we pledge united and untinted effort to preserve the spirit of trusteeship which has brought this institution to its present position of public esteem; and we authorize the officers and trustees of this association to take such steps as may be necessary to bring about a closer alliance with the insurance Commissioners' Convention, the Life Presidents' Association and the American Life Convention so that these organizations may achieve a unity of purpose in the preservation of this great ideal of trusteeship.

personnel? Do you really know what your goal is with personnel? Even in the last 60 days we have had general agents say to us, "Oh, I want to pay for \$6,000,000 in 1929 and I want to hire 15 new agents."

It seems to us when that man says that he probably hasn't really connected the factors of the new men that he will acquire and the production he will get from them. How much business in 1929 do you expect to get from agents that you will appoint in 1929? It is popularly said that you should be getting, if you are a progressive agency, 20 per cent of your new business from men appointed within the year. If you are a very progressive agency you will be getting 25 per cent and if you are a very unprogressive

agency you will be getting 5 per cent. We won't say the 20 per cent is a fair goal, but it is a quite commonly accepted goal.

Building Agency Like Planting Apple Trees

Many of you read the article which the Research and Review wrote about the agency of Frank L. Jones in Indianapolis, that Mr. Jones' conception of building an agency was somewhat along the line of a man who wishes to raise some sort of fruit. The man that plants apple trees is looking forward to the time when those apple trees will bear apples, and yet the thing that he does the first year that those trees are in has only a very distant relationship to the

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MANAGERS STUDY AGENCY PLANNING

SPECIAL SESSION WAS HELD THURSDAY EVENING

John M. Holcombe, Jr., of Research Bureau, Directed Modern Program.

Modern agency management was the keynote of a special evening session held Thursday evening under the direction of John M. Holcombe, Jr., manager of the Life Insurance Sales Research Bureau and the pioneer in the development of present day research in agency management. The subject as developed at this session was even more closely refined, pointing especially to the planning of the management program. President Myrick opened the meeting and directly turned it over to Mr. Holcombe.

Mr. Holcombe said that many men are in the business who should not be and a proper program would help to determine this. The agency manager should first set a goal, both for business and personnel, and next decide whether a plan is really necessary. He said that many managers are "so busy they have no time to plan," but experience has shown that this is not the way to success. Mr. Holcombe expressed the opinion that today the job of the soliciting agent is better done than that of the general agent, for the reason that much attention has been given to the field man while management planning is yet in its infancy. Recruiting, training and supervising all require a plan, and a manager who would succeed should so arrange his business. It will be of advantage to both manager and members of the agency.

Value in Planning All Phases Shown

Following Mr. Holcombe, the three divisions of planned management—recruiting, training and supervising—were discussed by Stanley G. Dickinson, field representative, and H. G. Kenagy, head of the field service department of the bureau. Mr. Dickinson listed the various sources of new material and showed the value of a planned program in efficiently developing each. These four sources, the manager, the agents, newspapers and circularization, were all praised as good methods, but Mr. Dickinson said that the best plan seemed to be the particular development of the first two, augmented by the latter two. As for selection, after discovery, he urged caution, with careful use of all available information, from the prospective agent, from others and from the manager's own judgment.

Mr. Kenagy, discussing both training and supervision, said that the manager should develop a definite plan and closely follow it. He should know what is to be taught and how it is to be taught, basing his work on the best methods in use by the leaders in the field. It was also suggested that they keep in mind the definite trend away from the technical. The same thought was applied to supervision, both as to inside and outside details. Mr. Kenagy said that it has been found that a carefully planned program does get results and does pay for the efforts expended.

One concrete example of the results of agency planning was illustrated by Mil-

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NEW HEAD OF NATIONAL ASSOCIATION



PAUL F. CLARK, Boston
Home Office General Agent John Hancock Mutual Life

Agency Accomplishments Told

PLANS THAT HELPED TO BUILD ONE AGENCY

NEW IDEAS TRIED OUT IN DETROIT REVIEWED

Men Given Proper Tools for Work and Then Trained in Their Use.

BY MILTON L. WOODWARD
General Agent Northwestern Mutual
Life, Detroit

Realizing that some of the ideas now being tried and tested in our agency are at wide variance with the practices in many agencies, what I may say is not in any way a justification that the agency I am affiliated with is on the right track. We may be wrong, but results so far do not so indicate.

The past four years our agency has shown an issued, paid-for volume increase of over 60 per cent. During the same period we were first in volume increase, and the past year we ranked third among the 88 agencies of the company, where first year lapse ratio; issued, paid-for business per capita, and volume placed on previous policyholders in the company, are the three factors that are considered in the calculation. Out of a possible 400 points we scored 365. In 1926 we scored 270. The average sized application in our agency is \$10,000. Our aim is not for big gains at the expense of individual service to policyholders or possible future clients.

Agency Demands Full Time of Man in Charge

The needs for life insurance, probably, were as ever-present 15 years ago as they are today. They are more apparent at this time than in the early days because of some of the brilliant minds that have put the spotlight on what can be done and done only through life insurance. Someone has said that the best way to get ahead is to "use the one you have." If our business is the greatest thing in the world, is there any reason why it should not

command our whole time? If it be true that of the 250,000 life insurance salesmen in this country, the average devotes no more than one hour a day to real concentrated selling, it may be equally true that the heads of agencies devote no more than that time to straight thinking on how best to run an agency that will insure the best results for the salesmen and policyholders. If the production of an individual salesman will drop when real estate, stocks, bonds and outside interests receive much of his attention, the production of an agency will fall off if the same interests occupy to a large extent the attention and time of the man who runs the agency. You and I are in a work that should rivet our entire agency. Greater dividends will accrue to us if our money is invested in the business we run, understand and are hired to pursue. Personally, the days seem too short, the years not long enough, to try and accomplish what is the fondest aim of our agency.

Business Received Only From Regular Salesmen

Many of you may differ with the departure our agency took Aug. 10, 1926. Prior to that date we accepted legitimate surplus business from regular agents of other companies, where the other company already had placed the amount of insurance it could place on the applicant. Since we discontinued that practice, the business that has been placed in our agency has come from our regular salesmen. Again, I say, we may be wrong. Time only will tell, but considering the fact that in 1927 we turned away \$2,500,000 of surplus, our issued, paid-for business for that year, nevertheless, was \$13,128,200 in six counties, where prior to May, 1926, we controlled some 38 counties.

The man who devotes most of his time to shooting one type of gun, generally, hits the mark oftener than the man who blazes away with all models. Likewise, our conclusions are that we know our goods better than the representatives of other companies know our goods. Then we avoid a conflict that might arise where one of our regular salesmen, who had done some constructive, creative work on a man, would be forced to give up a commission, many times rightfully earned, to

a representative of another company who is privileged to place business in our agency. It is said that the man who creates the need and places the large lines should get full credit. In many cases this is only too true, but not in every one.

Don't Depend Primarily On Large Line Business

The big bulk of the business that companies and agencies depend on is not the large lines, and it is our feeling that to build up an agency of intelligent, contented representatives, we can do it better with less friction, and for the most part have greater harmony, where our business is obtained only through our regular accredited representatives. So far, the results are most gratifying and do not indicate a change to a previous practice.

A life insurance man cannot be made overnight. To give a man a rate book, with but a few meager suggestions and the admonition that everyone is a prospect, is not enough. It is just as suicidal as it is to throw a boy into deep water before he knows how to swim. They both sink. Our plan with a new, inexperienced man is to not overeducate him at the start. Teach him to do a few things well, get him enthusiastic about them, get him to making money soon are the chief things we dwell upon at first. While the newer man may be over-educated, the successful men oftentimes is handicapped by being under-educated. What the new man needs is the ability to make a modest start in a short time. Let him know that commissions are paid and paid promptly for work well done. Try and have the successful man see, that while he is successful, he has fallen far short of his capabilities.

Field Well Cultivated Yields Far Greater Profit

It is our aim to have the successful man, as well as the beginner, realize that calls mean interviews, interviews mean sales, and sales mean happiness for the salesman and his family as well as for the insured. An acre field well cultivated will yield a far greater profit than a ten-acre field where only the surface is scratched, and so it is

with life insurance. Some salesmen "fall to hit from where they stand." The grass on the other side of the fence always looks greener to them. One salesman, whom I know in Detroit, had an issued, paid-for business of \$998,000 from June, 1927, to June ending this year. This magnificent volume was placed in one company on 70 lives, and when talking about intensive cultivation, let me say that 90 per cent of this volume was placed in one office building. Laborious physical footwork in this instance did not dull the all-important mental headwork.

More Intelligent Man Power Is Aim

More intelligent man-power is our aim. One salesman recently said he would be willing to take a 10 per cent reduction in commissions if the present personnel of salesmen in the town where he is located were five times what it is today. He recognized the value of intensive cultivation, the advertising value. He knew he could sell more if more people knew of his goods. Our aim is to sell tailor-made policies, whether the intention of the insured is for a lump sum settlement or the income contract. We are always trying to co-operate with the trust companies. We consider an income contract in our agency one that is either trusted by the life insurance company or the trust company.

It is our plan and aim to try and have the client, as well as the salesman, see that we are trying at all times to do everything humanly and reasonably possible for the satisfaction of both. Our calling is big, spotless and clean. If we really feel that life insurance is the "biggest thing in the world," the highest type of solicitation, and the greatest selling proposition, why can we not make it more attractive to bigger men? Can not the business be pictured so plainly and attractively that a man should feel that he is not giving up a single thing in coming into the life insurance business? Our aim is to help the salesman, to protect him, to make him feel that, if he does not make the grade, the fault is not wholly ours. Disputes and conflicts should be at a minimum. We

NEWLY ELECTED VICE-PRESIDENTS OF THE NATIONAL ASSOCIATION



S. T. WHATLEY, Chicago
Vice-President



C. C. DAY, Oklahoma City
First Vice-President



GEORGE W. AYARS, Los Angeles
Second Vice-President



E. J. McCORMACK, Memphis
Fourth Vice-President

have had but three that have been aired in four years.

Furnish Tools, Drill Salesmen in Using Them

You and I have a right to a franchise only while we exercise its use. Summing up our plans and aims, we might say that we intend to carry through until results might justify we are wrong. Then we will change our plans. We must not only furnish the tools but drill the salesman in the use of them. We have one regular meeting every Monday morning. This is for everybody. At this meeting sales helps and suggestions are broadcasted for all. The more successful salesmen in the agency have been big-hearted and have placed their working plans before all. They have laid their cards on the table, face up. "What is mine, is yours" is the attitude of most of them. Everyone, if he attends regularly, should know how every successful man in the agency obtains the success he earns. No man can use everything good that another has. He can, however, pick up



MILTON L. WOODWARD, Detroit Northwestern Mutual Life

something from every successful man's plans that are offered for his use. We are trying to have the spirit prevail, "one for all and all for one."

Class Conducted For Newer Men

On Wednesday morning, 8 o'clock sharp, a class is given for the newer men. This lasts for at least an hour and a half. Sales demonstrations, how to close and examples of good approach, the fundamentals, technique of the business, and the practices of the company are constantly given. We aim to have a salesman realize that the bulk of his business is the 3, 5, 10 and an occasional \$25,000 application. We try to sell the idea that it is worth while for every salesman to play with one or two of the big boys—those who will buy \$50,000 or \$100,000, or upwards, if they buy at all. We aim to have a salesman work in a couple of these prospects with his regular work. The man who strives for more than the average number of interviews on men with a buying power above the average will increase his volume 25 or 40 per cent. It is our constant effort to sell a salesman on the value of cultivating the capacity for constant effort. Inside the Detroit office is a thoroughly competent man whose chief task is the assisting and training of men operating out of the Detroit office, giving the salesmen prospects they are supposed to see. He is thoroughly trained on the technique, uses and fundamentals of the business, is a graduate of the Carnegie School of Life Insurance Salesmanship, and is eminently qualified to offer a solution to most any

FACTORS TO CONSIDER IN GETTING NEW MEN

WORKABLE RULES FOR "PLANNED RECRUITING"

Various Phases of Problems and Methods Used With Success Are Outlined.

BY STANLEY G. DICKINSON,
Field Assistant Life Insurance Sales
Research Bureau

We can approach the subject "Planned Recruiting" with temerity. It has been on your minds ever since you became agency builders. We have been studying it for years. Out of this conglomeration of effort—good, bad, and indifferent—we can gather with assurance a few simple, understandable, workable rules for our guidance.

Before we consider three phases of the problem—finding names, selection, and describing the work—let us fix the problem in our minds. We have all decided at one time or another that we "wanted to hire five men by the first of the year." That objective is all right as a part of our original plan, but our real job is to get one man, and then repeat the process. What are the rules to consider in operating a recruiting plan to get one good man?

Set of Pictures of Man That Is Wanted

The first rule is to set up a standard, a picture of the man we want. We know that the possession of certain definite qualities indicates probable—probable, not infallible—aptitude for selling life insurance. The qualities should be enumerated, you list those which appeal to you and which work out in your experience, we do likewise. We know, for example, that men of certain age range have more reasonable chance for success in this business than those outside of that age range. We know that a life insurance man must like people, that he ought to have real ambitions for the good things of life, that he ought to

problem arising as a result of the activities of a salesman.

Outside of the Detroit office we have a traveling supervisor, one who has had extensive experience in life insurance selling covering a period of 12 years, as well as promotional work. Among his chief duties is the placing of men in the five outside counties, training, schooling and working with them, so we believe we have fortified ourselves with the proper equipment to make men make good if they are capable of making good.

A bulletin entitled the "Detroit Agency Service Bureau" is placed in the hands of every salesman when something worth while about life insurance is worth mentioning. It is our aim to furnish in this bulletin the most up-to-date, usable helps in our business.

If we are to capably represent companies that show strong financial statements, why not invest our surplus funds in the agencies we are to direct? Just recently our agency has acquired larger quarters. It has meant the expenditure of a large amount of money. We have made a substantial investment looking ahead for safe expansion. You and I are engaged in a business all our own. We cannot prosecute it wholeheartedly if we go at it halfheartedly, either with the investment of our time, thought or money. Our companies will grow in size, strength, service to mankind and popularity, only in the same proportion as the agency units we represent grow likewise.

have an almost insatiable appetite for intelligent work.

How One Manager Keeps Standard Before Him

To illustrate this point, one manager with whom I am acquainted has the following objective typed and placed under the glass on his desk:

- I WANT A MAN WHO
1. Is between the ages of 25 and 40.
 2. Is married or has other family responsibilities.
 3. Has of his own accord attained some worthy objective, such as buying a home, saving a sum of money, etc.
 4. Has an active mind.
 5. Desires to make considerable money because of what that money will do for him and his family.
 6. Likes people and enjoys helping others to make decisions.
 7. Is active in church or lodge work.
 8. Is willing to do as I tell him.
 9. Will be congenial with my other men.
 10. Is a man with whom I would be willing to mingle socially.

This is one man's way of keeping his standard before him. Perhaps you can draw up stronger standards or a better way of keeping them before you. The point is that we all need to have a standard.

Four Main Sources Of Names Listed

Second, we find the names of several men who measure up to the standard. We search for, not one, but several, because we cannot do any selecting if we have only one name and must hire one agent. The bureau has just concluded a study of recruiting, and from that study we can say definitely that there are four main sources of names: (1) The personal work of the manager or an assistant; (2) the work of the present agents; (3) newspaper advertising; and (4) circularizing. Of the four methods, the personal work of the manager is clearly the most important. Recruiting is primarily the job of the manager, and he is undoubtedly best qualified to do a good job at it. While he may, by choice or necessity, give more or less time to personal production and the administrative duties of the agency, his primary function is building manpower.

He may seek the names of recruits in several ways. He may survey his territory and seek an agent by going to key men in the place where he has no representation. He may analyze the classes of buyers among whom his agents are working and seek agents who normally would work among the neglected classes. He may have his eyes open as he sells personal business and, when he finds a likely looking prospect, fall deliberately to close him in order that he may come back and describe the career of life insurance salesmanship. He may seek the assistance of policyholders and others who are in strategic positions. He may go out after the salesmen in other lines, or interview those who come in to sell him office appliances and the like. He may use his civic activity, and use it effectively, as long as he capitalizes in an inoffensive way on the acquaintances which he makes in outside contacts.

Present Agency Force Is Major Source

The second major source of names is the present agency force. It is of special significance in the established agency. The number of men recruited by the activity of the present agents is, in itself, a barometer of the spirit within the agency. Without harmony, without pleasant relationships, there can be no success from a recruiting plan in which present agents are asked to assist.

Granted that the present agency force is a group of happy boosters, the num-

ber of new men who can be secured by them is largely a matter of how successfully the manager "sells" the idea to them and gives them specific suggestions on how to operate. He may focus their attention on that phase of their work by personal conferences, by meetings, or in contests. The value of a cash bonus to present agents for bringing in new men is still a question. The consensus of opinion is that the bonus will do nothing to increase the loyalty of the men, and their loyalty is the factor which influences them to work to bring in recruits. Loyalty alone should be sufficient. The advocates of the bonus agree, but they add that a bonus increases the activity of the agents and thus merits consideration. As the thought is summarized by one manager, "The bonus doesn't increase their loyalty, but it improves their eyesight."

Factors in Favor of Agent Brought by Another

There are two special factors in favor of the agent who is brought in by an experienced agent: First, he is likely to be congenial with the other men; and second, the old agent feels a moral obligation to see that he succeeds. The old agent doesn't want to be charged with being a "poor picker." He becomes, almost automatically, the mentor of the new man.

The third method of securing names is through newspaper advertising. It is not, in the opinion of the majority, a method on which to base the whole recruiting plan. As a supplementary method, it has proved its ability to draw a large number of names of fair quality in short order. The manager who succeeds in getting strong agents, however, must set up a complete system of selection in order to eliminate the long list of undesirables which advertising usually attracts.

The fourth method, circularizing, is usually regarded as only a supplementary method of getting names. Many managers who might otherwise have been successful with this form, often fail because their letters fail to give a clear definition of the kind of man sought or the advantages of the opportunity.

In leaving the problem of finding names, we should make the point that successful managers use, not one or two methods, but all of the means to keep their reservoir full of names.

Summarized in One Phrase, "Be Careful"

All that we can be sure of about selection may be summarized in one phrase, "Be careful." Being careful consists mainly in making full use of the mechanical aids—blanks, forms, and the like—to insure that we look over all of the favorable and unfavorable points about the prospect. Practically every manager now uses an experience record or application blank, many use judgment records, and the majority write to references. The more careful managers see references personally whenever possible.

The last process in recruiting consists in describing the work to the new man so that we get him. The manner in which this is done has more than passing effect on the prospect. Obviously, we need a strong presentation in order to get a strong man, yet we cannot overpaint the picture if we are to avoid troublesome consequences later on. Not only does the strength and fairness of the presentation influence the man to come in, but it has a direct bearing on the ease with which he can be supervised. Describing the work adequately is not difficult if the presentation is outlined in advance, and the conversation reinforced by charts and illustrations.

The crystal ballroom at the hotel was filled with educational exhibits.

Insurance Vital Social Factor

LIFE INSURANCE IS GREAT SOCIAL FACTOR

INSTITUTION IS VITAL TO WELFARE OF NATION

Becoming Recognized as Such By Leaders in All Walks of Life.

By CLARIS ADAMS
Secretary, American Life Convention

The institution of life insurance is a public asset, capital in nature and national in significance. The character, scope and variety of its functions and the magnitude of its development make it one of the important social, economic and political forces of America.

Directly or indirectly, life insurance serves the whole people. It generates economic power, which, transmitted through the basic business enterprises

greatness. Practically every form of philanthropy inspired by man's humanity to man has found practical expression through the medium of a life insurance policy. But the principal genius and the greatest glory of the institution is the preservation of the American home. Thousands of families intact despite disaster, self-supporting, self-respecting, self-reliant, pollinating America with those elemental virtues which reach their fullest flower only about the indestructible hearthstone of a united family—these are the supreme contributions of life insurance to the welfare of the nation.

Stabilizing Force in Realm of Government

Even in the realm of government the influence of life insurance, although indefinable and intangible, is real. It is a stabilizing force which makes for the maintenance of the existing order. The purchase of a policy implies confidence in the efficiency and faith in the permanence of our institutions. It commends the concept of capitalism, the institution of private property and the orderly processes of government to posterity. Economically and psychologically, it endows man with a species of independence which is essential to real citizenship in a real republic. It inspires them with vision, without which the people perish. The sacrifice it entails builds character, upon which foundation all human institutions must ultimately rest if they are to survive. In no fanciful sense, every policy of life insurance issued in this country underwrites proportionately the future of the United States.

All in all, no inventory of America, whether to determine its material wealth, its economic strength, its social stability, its political permanence or its spiritual power, is either accurate or complete which does not rank the institution of life insurance high among the assets of the nation. The ultimate beneficiary of American life insurance is America.

Growth of Business an Outstanding Event

Even in this land of miracles and this age of marvels the growth of life insurance has been one of the outstanding events of the present century. Insurance in force has increased ten times since 1900. For the third successive year, the annual writings of 1928 will exceed the whole amount at risk in 1910. Long before the end of the decade, it will reach the amazing and inspiring total of \$100,000,000,000.

In the meantime, companies have multiplied both in strength and number. More than 350, operating upon a legal reserve basis, domiciled in almost every state in the union, supply sound insurance to the American public. The admitted assets of the institution have grown from less than \$2,000,000,000 in 1900 to almost \$15,000,000,000 in 1928. Of the 13 corporations in the United States with tangible assets of more than \$1,000,000,000, three are life insurance companies. Life insurance now accounts for more than three per cent of our national income and represents more than three per cent of our national wealth. But more important and more inspiring still, while approximately 15 per cent of the people carried policies upon their lives at the beginning of the century, now more than half the population have sought and found sanctuary within the walls of the insurance edifice.

Neither the development of life insurance in America, however, nor its contribution to the nation's welfare can be fully measured by statistics, regard-

less of their amazing multiplications or their awesome mass. The institution has waxed great, as well as strong. It has grown in spirit commensurate with its stature.

Not the least of its contributions to America is the example of integrity, capacity and vision which it has set before American business. It has been said that life insurance is as conservative as the multiplication tables and as progressive as the experimental laboratory. It is forever marching down new avenues to the public good. It is constantly seeking new ways to serve society. It is sacredly performing the most sacred trust reposed in men. It has crowned its material achievements with an ideal of service which makes it stand apart and alone among the great business structures of the nation. Its history is full justification of the legend of this organization: "The greatest business in the world."

Testimony of All Men Is Now Heard

The public press, once critical, now regards the institution with profound respect. The newspapers and periodicals of the country are constantly adding to the prestige of life insurance, creating good will for the business, cementing public confidence in the institution.

The pulpit, once an enemy, is now an ally. The enlightened clergy of today are evangelists of life insurance. They exalt it as the applied science of a profound idealism, closely akin to practical religion.

The school, once indifferent to the subject, now almost universally includes the study of insurance in its curriculum. In every first-class college in the country it is recognized as an important branch of economics. In some it is offered as a separate subject. In at least one university it is taught as a profession. Aside from the professional training of agents and the scientific instruction of technicians, think what the embracing of insurance by education means in terms of insurance understanding and appreciation in generations to come.

Business, once doubtful is weaving life insurance into the very warp and woof of the industrial and commercial fabric of the nation. Business insurance is being fashioned to new uses constantly. Group insurance is rapidly making a conquest of the industrial world. The trust companies of America are spending \$1,000,000 annually advertising life insurance trusts.

Charles E. Hughes Pays Tribute to the Business

Perhaps the greatest tribute ever paid to life insurance fell from the lips of Charles Evans Hughes. He spoke with authority as no other man in America could. At the very threshold of his brilliant career, as prosecutor of the Armstrong committee, he had exposed the abuses and pilloried the evils that then existed in the business. A year ago last December, however, he appeared before the Association of Life Insurance Presidents, to congratulate its members upon the achievements of twenty years. Upon that dramatic and historic occasion, he spoke as the foreman of the nation recording the verdict of America. He said: "I believe that there is no safer and better managed business in the country than yours. * * * Your achievements count predominately not for yourselves, but for the American people."

The economic force of life insurance is not confined to its primary function. Funds held by the companies, as well

as those distributed, play an important part in promoting the national welfare. Life insurance constitutes one of the chief financial reservoirs of the business world. The companies employ a constantly growing capital which now aggregates almost \$15,000,000,000. They control more than 31.2 per cent of the nation's wealth.

The source of this vast fund is no less significant than its size. It represents principally the small savings of the many millions. It is garnered in the main from the non-investing public. It is capital collected by solicitation. It represents money salvaged from current expenditures and not wealth diverted from other forms of investment.

Every dollar of it goes into the upbuilding of America. Life insurance investments are limited by law to securities of the most conservative character. Not one penny is risked in a speculative enterprise. Not an ounce of the power of the institution is exerted to control other business undertakings. Its whole wealth is used in upbuilding institutions of proven worth,



ERNEST W. OWEN, Detroit
New Secretary of National Association

upon which the prosperity of the nation depends.

Whatever money is needed to support the fundamental economic needs of American life, there life insurance capital freely flows. When the railroads were building, they were financed in a substantial way by life insurance capital. When they needed funds for expansion and improvements, insurance again answered the call.

When the world ran amuck with war and poured the accumulated wealth of generation into the insatiable maw of Mars, insurance, by patriotic impulse, and not from economic motive, increased its loan to its government from a little more than \$1,000,000 to the greater part of \$1,000,000,000, to help America arm for the conflict and wage the battle.

In the support of agriculture, life insurance has always played a principal role and a constructive part. Had all institutions of finance steered as conservative a course as insurance, the agricultural depression in America might not have been averted, but it would not have been aggravated by so great a collapse of exaggerated values.

As a social factor, insurance plays an even greater part in our national life. It is a partial answer at least to the superficial slander that America is a wastrel among the nations. It is evidence that



CLARIS ADAMS
Secretary American Life Convention

of America, supplies commercial energy to every section of our country and every portion of our population. It protects, and by protection, augments both property and human values, which constitute a vast proportion of our national wealth. It helps to buttress the mighty credit structure of modern business, without which industry and trade would revert to the medieval, with an unique force which overbalances with a minimum of financial stress the inevitable strain of mortality. It supplements other institutions of finance with resources which they cannot command and functions which they cannot perform.

Life Insurance Is Universal Social Factor

As a social factor, the influence of life insurance is universal. The incidence of its benefits reaches beyond its patrons to the whole nation. Life insurance has practically immunized America against the plague of poverty. Through more than 200,000 prophets it preaches the gospel of thrift to the salvation of a people whose predominant vice is extravagance. Every day, to countless thousands, it is providing the means of an adequate education and thus helping to build for a nation charged with gross materialism a cultural foundation worthy of its future

our civilization is not wholly material, despite our extraordinary genius for material achievement. To the millions spent for luxuries year by year in this country, can we not offset the more than \$2,000,000,000 currently invested in life insurance to strike a balance of national character? Does not the unapproached development of this institution, founded upon the most intelligent principle of permanent savings yet devised, speak volumes concerning its own reaction upon the American people, as well as reflect the stability of society where such development has been achieved?

Life insurance induces thrift, and thrift of a most intelligent kind. It is thrift which multiplies wealth by use, instead of rendering it sterile by hoarding. It is thrift which purchases protection in the process of saving. It is thrift in a constructive form that appeals to the spirit of enterprise inherent in American character. It is thrift sown, gathered and garnered by life insurance in ground otherwise fallow.

Life Insurance Exceeds Bank Savings Total

The effect of such an institution upon society is manifest. This is the only place on earth where there are more



JOHN MARSHALL HOLCOMBE, JR.
Manager Life Insurance Sales
Research Bureau

dollars in life insurance than in savings banks, although there are more dollars in savings bank here than any place on earth. It is asserted that more than 80 per cent of the people who die in America leave no substantial estate except an insurance policy. It is thus the first line of national defense against the social ill of poverty in a country where poverty is at the lowest ebb in all the world.

Its effect upon the individuals who make up society is no less important and no less significant. There is character building in saving which serves the community in other ways. President Coolidge, the high priest of national thrift, says of life insurance:

"It is part charity and part business, but all commonsense. Through its operation the strong contribute to the support of the weak, and the weak secure, not by favor, but by right, duly purchased and paid for, the support of the strong. Every insurance policy is a declaration of independence, a charter of economic freedom. He who holds one has overcome adversity."

"The principle upon which this proceeds is all very plain. It has its foundation in thrift. * * * The ability to save is based entirely upon self-control. The possession of that capacity is the main element of character. It passes over at once in the realm of good citizenship."

Insurance is more than savings, how-

ever. It touches thrift with the vitalizing force of sentiment. It translates a personal virtue into terms of a social ideal. Despite the soundness of insurance as an economic program, regardless of its present development and greater future in the field of pure business mechanics, notwithstanding its uses and utility to solve the special problems of particular individuals, the source of its power is largely sentimental. It is sentiment reduced to a science, sentiment placed on a business basis, sentiment expressed in economic terms, sentiment measured in dollars and cents, sentiment molded into a practical, permanent, concrete form, but essentially sentiment still. Its great appeal is humanitarian. Its principal conquest is robbing misery of its victims and relieving sorrow of its tragedy. Of all values represented by the institution of life insurance, the human values are incomparably the greatest.

Furthermore, an institution which capitalizes sentiment imparts a spiritual force which reaches beyond its obvious social significance. The diffusion of life insurance benefits and the incidence of its social power can not be calculated by computing the value of its policies or determining the number of its beneficiaries. Insurance makes for manhood. It imparts strength to those who possess it. It adds to the fullness of life, as well as repairing the ravages of death.

Brings Independence to the Individual

Life insurance brings independence to the individual, which is itself a social force. It frees him from the tyranny of today. It renders him superior to the hazards of tomorrow. He dares to venture because he dares to fail. He has taken hostage of fortune and drawn the poison from the fangs of fate. He can steer the course of his existence by the stars of the distant horizon, rather than by the waves which wash across the bow of his hopes. Life insurance permits man to live for the ultimate.

In a free society of free people, independence is the very breath of life. The spirit of democracy dwells not in the forms and mechanics of government. Its abiding place is the dauntless soul of a free people. Our institutions have endured because they are indigenous to our soil, because they were fashioned from the history and traditions of our race, because they are geared to the genius of our people, because they have been molded to the spirit of America. Real democracy can not exist, however, in any land or under any form of government where the people are not economically as well as politically independent, where they do not possess the substance as well as the shadow of freedom.

Life Insurance Makes For National Stability

Democracy never yet endured adversity. Prevailing political opinion never rises high above its economic source. Contentment is the condition of conservatism. Radicalism, on the other hand, seldom rears its ugly head within the borders of a prosperous land. A business, therefore, which has set as its goal the utter conquest of dependency and has already marched far along the road to realization of its ideal, an instrumentality by means of which America stores its present surplus for its future necessities, the medium through which this generation has endowed the next to the extent of almost one hundred billion dollars, an institution to which the average American trusts the major portion of his permanent savings to support his family if he dies or to sustain his age if he lives, is a centripetal force of incalculable power, making for the permanence of America and the welfare of its people.

We do not infer that insurance is the immediate or even ultimate source

NEW PRESIDENT TELLS PLANS FOR THE YEAR

ASSIGNMENTS OF WORK TO NEW OFFICERS GIVEN

Each of Those Just Elected to Take Responsibility for Definite Objective.

By PAUL F. CLARK
Newly Elected President of the National Association

I am fully cognizant of the responsibility imposed in me in trying to carry on the duties of this great association. It is very difficult for any man to properly handle the office of the National association, and I think it is particularly difficult at this time for me to have to follow Julian Myrick and the administration which we have just had. They must set some great standards for us to follow, not the least of which is a precedent established by Julian Myrick, which for more reasons than one I want to follow. For the sake of the president of the National association of this coming year and also for those who come after, and more especially for the sake of those who might have to listen, I am going to carry on the precedent he has established of not traveling around the circuit, so to speak. The President of the United States, President Coolidge, and our president, Julian Myrick, have set a good precedent in staying at home and keeping their mouths shut. I should like to do likewise.

No president in my knowledge has ever been so fortunate as I in having around him a group of officers such as you and I have been favored with in this recent election.

Ambitions for National Association Outlined

I am going to assign a definite task to each of these officers in addition to taking care of the section which they geographically represent.

I am glad to serve as president of this association, frankly because it gives me an opportunity to try to see if I can carry out some ideas that I have had for a long time concerning the National association. I am going to tell you what some of these ambitions are that I hope the other officers of the association will share with me in the coming year: First of all, a national institutional advertising campaign on life insurance. You have voted for that and I believe there isn't a thing that we can do in this National association that will bring any greater benefit, respect and dignity to our profession than laying the machinery which this year we hope or ultimately at least may bring about a great co-operative campaign. Passing on I might say that I am going to ask Vice-president Whitley in Chicago to assist me in carrying out whatever we may be able to do in this particular.

Another very important matter for the association is membership. With 200,000 life underwriters in America and only 15,000 in the membership of this association, I think we can hardly

of loyalty and patriotism. We do make bold to believe, however, that as one of the important economic factors of the nation, and one of the powerful cohesive social forces operating among our people, the influence of life insurance is not an inconsiderable element in our national life, and that it makes for the progress and prosperity of America, for the permanence of the nation the perpetuity of our institutions, for the stability of its citizenship and the happiness of its people.

claim that we are representative of the life underwriters of our nation. It has been said many times that we should have 25,000 or 50,000 people in the membership of this organization. A membership campaign is a difficult task. Only a man can handle it who is a worker. I think in my selection of George Ayars, of Los Angeles, as vice-president in charge of membership campaign that we will come as near to getting 25,000 as you could expect us to get. I am going to ask him to take that responsibility.

Closer Relationship with Locals Sought.

Third, the establishment of a closer relationship between the National association and the locals. I don't believe many of you who haven't been active in association affairs realize what an important step this will be if it can be accomplished. We have heard many people say, "Why shouldn't the association have a speakers' bureau?" a very difficult thing to handle but a possible thing which we will try to work out. Some associations because of internal strife gradually but slowly pass out of the picture. It should be the matter of the National association to try to prevent a situation like that. There are situations where an association is disrupted because of internal strife, sometimes over the fact that one man in the association has divided the whole membership. I am going to ask Ed McCormack, vice president from Memphis, an ex-judge-advocate general of the army, a man who knows something about that sort of thing, to handle this very difficult problem. I think you will hear something from him in the future.

Plan National Interest for Next Convention

Last I want to refer to the national convention next year which is important and one of the most important parts of the program of any administration. We would like to have a convention in Washington next year if we can that has a national interest, a national interest a little bit different than some of the others. We would like to attract a little more national attention in our next assemblage. How does this sound to you? First of all, there isn't a man or woman in the room who doesn't agree with those of us who said that never a better program has been offered. I am going to give a lot of credit, not to detract from any one else, to Elton Bragg. I have been a member of his committee so I know something of the work he has done. I was last year chairman of the program committee myself. I don't think there is a harder job in the National association than that particular one. I would like to say that Elton Bragg has accepted the chairmanship next year of the program committee. I think I can give you another piece of good news when I say that E. S. Brashears, the vice-president in Washington, will be the general chairman of the convention committee.

Improve Standard of Men in Profession

The fifth point is that I hope this association may be able to develop or increase, if you please, the standard of our profession and those men who are in it. I think we have an opportunity now and our own administration will use as a cornerstone for this building the American College of Life Underwriters. We want to get the support of every member of our National association for this great college which is destined in the future to be one of the real institutions in this country in the opinion of many of us. I am going to ask a man, than whom is no man better qualified, to take this responsibility, Carol Day of Oklahoma City. When you get a call from him to do something for the college we expect you to come through 100 per cent.

Description of Business Uses

PROTECT BUSINESS BY LIFE INSURANCE

"SHOCK ABSORBER" NOT ONLY FUNCTION

Valuable in Promoting Going Concern as in Event of Owner's Death.

By CHARLES J. ROCKWELL

Director of the Rockwell School of Life Insurance and Editor of the "Insurance Salesman"

It is plainly impossible to cover in any detail, within the limits of one address, all the applications of life insurance to the problems of business. These are too numerous and varied and the service offered them by life insurance too complete to warrant such an attempt. Any specific problem warrants exclusive treatment, and offers a fer-

stroy all chance of securing it. Against such interruption by death we can insure, retaining the property element of profit-making intact and assuring the gains which were to arise from the element of human activity, thus actually creating new wealth instead of merely defending the old.

Probably undue stress has been laid upon the property element of business, forgetting that business success depends more upon people than upon property and that the ultimate objective of all business is to create profits and not merely to pay for property already acquired. The very nature of modern business demands a protection against losing the human element of it. The tendency of the times is toward skilled management of reservoirs of capital contributed by non-active individuals, toward combinations of capital and capacities for joint endeavor and by extensive delegation of important functions to trained employees. All along the line human life is the enlivening factor, uncertain though it be in its duration. What promises help in improving the purposes for which business ventures exist and stabilizes the bases upon which they rest will be popular and sought when so recognized.

Problems of Ownership and Activity Presented

Leaving the purposes and objectives of business to view the structure of the enterprises themselves we find that responsibility exists and problems present themselves because of ownership and because of activity. The two may be in combination or separated. The nature of this ownership affects the individual in every case, and frequently the business as well, but the loss of activity is reflected in the business momentum. Ownership may be by a single individual or by individuals in some way. To the individual owner we offer three services, that his business shall not expose his general estate to any loss or uncertainty—a sacredly regarded depository for annually withdrawn profits with an assurance of their maximum value to his family only—and a quick delivery of his business to any selected successor, free of debt, and its value to his estate in cash if desired.

Some Perils From Which Individual Is Protected

We protect him against the perils of over-reliance on employees by functional delegation, and by assuring them of the permanency of their positions, avoid the necessity of associating them with the enterprise in an ownership relationship. It is characteristic of individually-owned enterprises that they do so delegate responsibility as they grow, since they can not expand beyond the capacity of their owners to supervise and finance. Hence new capacity must be employed and new capital borrowed or associated. Capital borrowed is no more of a menace than capital contributed by an associate for the term of his lifetime only, which is precisely the maximum limit of time any partner's funds can be held in the enterprise. At his death his contribution may be demanded by his representatives with unknown consequences to the business. The only thing that is sure is that the demand must be met, no matter what the cost may be, even though it be the life of the enterprise itself, as it sometimes is.

The service of life insurance in increasing the net worth of terminated business ventures, and to provide funds with which to buy out a deceased part-

ner's interest (which is really returning to him his contributed capital with its accumulations) has been so consistently preached that its usefulness in this respect is now conceded. But the contingency this insures against is, after all, deemed a remote one as to its happening, and the current prosperity of the enterprise dims the prophecy of the problem presenting itself. Life insurance has as great a value in promoting the success of a going concern as it is conceded to have in minimizing disaster or as a shock absorber. Our obligation is to present it in this light—as an ally to business success.

Business Success Rests Upon Three Factors

Business success rests upon three factors. First: Ample and elastic capital—expanding and contracting as required to meet the demands of the business. Inelastic capital demands dividends even in slack times, and a shortage of it sometimes limits profits. Second: The capacity to manage that capital—both ability and opportunity must be present. Ability limited in opportunity by apprehension yields no profits. Third: A prospect of permanency in the venture undertaken—both creditors and patrons distrust an enterprise obviously temporary or which presents a constant threat of dissolution. These three basis factors of capital, capacity and continuity are not only closely interrelated, but are in a degree transmutable, notwithstanding the fact that capacity, which is a human attribute, seems to stand at the apex of the triangle.

Life Insurance Can Be An Aid to Capital

Capital, which is usually regarded as made up of tangible resources, life insurance can stabilize, liquify or augment. The tendency of such capital is to become frozen into fixtures, inventories or accounts receivable. It is always limited, its amount fixed as to maximum and minimum and subject to sudden recall. Only forced sales will release frozen inventories, and these entail losses either of profit or cost of goods, unless offset by cash from other sources; accounts are only partially collectable by a liquidating concern, and pressure from a going concern embarrasses and drives away its customers. Whether the need for cash is to meet liabilities or replenish capital withdrawn by an owner, it is preventable by life insurance. To meet the problem of capital limitation and fixation another form of capital than money or goods is necessary.

Credit Has to Be Made Safe to Use

Credit, which has been defined as machinery invented to take the place of tangible capital, must be made safe to use, safe to be depended upon and any chance of its loss offset by transforming the capital it supplies (intangible) instantly into cash capital, when its supporting bases are lost. But while credit is elastic capital, it has its limitations as to maximum. When used to procure materials which freeze into inventories this reduces the amount still free. Nor does the best type of credit bear any fixed ratio to the tangible resources. It depends on the faith, confidence and judgment of the one granting it in the capacity to use it profitably of the persons to whom it is extended. Capacity then brings credit and credit is capital—hence capacity is itself capital. Only by life insurance then can an enterprise avoid impairing its

working capital because of lost capacity in its management. We convert the intangible into the tangible, avoid loss by making it unnecessary to liberate the credit frozen into inventories and make its expansion to the widest degree required safe for both the grantor and receiver of it.

Capacity Is Capital When it Attracts Credit

Capacity, then, is capital when it attracts credit, but it brings capital of a type that intensifies the menace unless steps have been taken to offset the effect of its loss. On the other hand, to get the best results from capacity it must be allowed opportunity. Capacity is not always due to the ability of a particular individual—it may be the result of a combination of highly specialized experts. Allowing every man fullest opportunity to exercise his ability makes for greatest gains, but presents the danger of disaster should the combination be dissolved. It may be long before his associates or successor can familiarize themselves with his activities—they may never do it. Mo-



DR. CHARLES J. ROCKWELL, Chicago
Editor "Insurance Salesman"

tile field for service. The most that can be accomplished is to present a profile of the possibilities and make the discussion suggestive and stimulative.

Opportunities Exist Because of Three Things

Since any business enterprise, no matter how large it be, is but a projection and elaboration on the fundamental structure of all business, to find the application of life insurance to any business we need only return to a consideration of this fundamental structure and from this proceed in diverging lines. Somewhere along any one of these lines lie opportunities to serve. These exist because of three things—the nature and purposes of business itself, the personnel of the specific organization and the factors which give the business momentum and by which its success is measured.

Business is primarily the busyness of people with property, and this busyness has for its objective the creation of new values. To the present, or cost, value of property, human activity adds a new value, called profit. An interruption of business momentum may imperil the status of the present value and will certainly reduce the measure of the new value hoped for, if it does not actually de-



RALPH G. ENGELSMAN, New York
Penn Mutual Life

mentum is checked, sometimes never regained; profits are not made and even present values imperiled. We cannot prevent the loss of such capacity by life insurance, but we can offset the effects of that loss and transform capacity capital into money capital. We can assure the profits that capacity would have created. We can even distribute financial responsibility where it now rests on one individual.

Assuring the Life of Business Venture

No institution that is always on the verge of dissolution can ever be wholly successful, no matter how excellent the capacity of its management or the type of its capital. Within and without its organization there is hesitancy and doubt. Lack of credit hampers capacity, uncertain future limits plans. Nothing can assure the duration of a life, but life insurance can assure two things which, in effect, give continuity to an enterprise. It can make possible such a quick succession in ownership as to make the transfer no stoppage in momentum; it can arrange for the transfer of that ownership to trained successors, whether they have, or have not, funds of their own to acquire it; it can equip successors with the capital to continue, even if known capacity

(Continued on Page 15)

Testimonials Pay Good Returns

HARVEY WEEKS TALKS ON NUTRITIVE 'OATS'

TELLS STEPS TAKEN IN SUCCESSFUL SALE

Analyzes Selling Process and Makes Demonstration of How It Operates.

By HARVEY WEEKS
General Agent of the Provident
Mutual Life at Buffalo

Before taking over an agency the first of this year, I did a little research work in that I talked to 25 sales executives of the largest and most successful selling organizations in western New York, with the thought of getting from them their reaction to the sales methods used, not by the exceptional life insurance salesman, but by the rank



HARVEY WEEKS, Buffalo, N. Y.
Provident Mutual Life

and file, or what they called the "average" life insurance salesman.

Most of these sales executives have the feeling that the average life insurance salesman does not have the right mental attitude toward his job. Feeling that this is true we are using in our agency as a slogan: "Success or failure in business is determined more by mental attitude even than by mental capacities."

Isn't it true that a large percentage of men who have failed in life insurance work never should have started? What percentage of men who go into life insurance work—and we might go so far as to say, what percentage of the men now engaged in life insurance work—have the right mental attitude toward their job?

Smarter Than Friend But Making Less

After a short discussion recently with a man who had been with the Westinghouse Company for 17 years, who came in to see me to discuss our business at the suggestion of a friend of his, who is a manufacturer's agent, he told me he was making \$410 a month, and I said: "Don't misunderstand me, I am not trying to be smart, but, frankly, and honestly, do you think that the fellow

who sent you in here to see me is any smarter than you are?" He smiled and said: "No, to tell you the truth, Weeks, I don't think he is."—and I agreed with him, but raised the question as to how he accounted for the fact that his friend was making at least three times what he was making. He quickly said: "Oh, of course, he is in his own business." And I asked: "You feel that is the reason—because he is in his own business?"

Picture of Success In Beginner's Mind

Well, I said, just forget about life insurance for the moment, and let's start on the premise that as you begin to think about this friend of yours in his own business, the idea grows upon you that you would like to be in your own business; and the more you think about it, the more convinced you are that you can succeed in your own business—until you finally arrive at a decision, after projecting yourself into the future say five years, and are able to visualize yourself successful in your own business, seeing the picture so clearly that you can make three times what you are now making, that you go home and say to your wife: "Mary, I am going to put a mortgage on the house,"—and with a surprised look she says: "Why, what do you mean?" Then you tell her of this picture that you can see so clearly, and isn't it true that if you had that picture in mind as clearly as you should have it, before you go into your own business, no matter what she would say in attempting to convince you that you should not do it, all of her arguments would be like water on a duck's back in that you would still be of the same opinion; and really isn't that what men do every day in other lines of business when they mortgage their home, use their securities, borrow money from banks and their friends, and really stake their all, because of the clear picture of success that is so definitely in their mind?

Determination to Make a Success

Now our thought is that unless a man can get that same mental attitude toward our business—the life insurance business—and get in the mental attitude, after getting information about the business, that enables him to come into our office and say: "Weeks, in spite of anything discouraging you say about this business, you cannot keep me out of it; if I can't come in here, I am going some place else."

Do you think many men, starting in the life insurance business, have this mental attitude; and isn't it true that possibly a large percentage of men who are in this business haven't this viewpoint?

With this picture in a man's mind, would he go to a general agent and say: "How much do you think I could write the first year?" Shouldn't he be like the man going into any other business who, before starting definitely, sets in his mind what he is going to do, and does not rely upon, or even ask for suggestions as to what someone thinks he can do, because he knows that he knows, and has that confidence which is so important and vital in attaining success?

Letters From Pleased Policyholders

In trying to help a new man in our agency get the right mental attitude toward his job, we ask him during the first week to read 25 letters which we have received from prominent and suc-

cessful clients. In these letters, as an illustration, one man tells us that he feels greatly indebted to us for the help we have given him; another says he is, indeed, grateful and feels under obligation to us for the plan we helped him formulate; while another says that he feels that relatively few men are familiar with what can be done through the use of our service, and commends our efforts not alone to place life insurance, but to safeguard the principal after the policies have been written.

Through this method we try to make the new man feel that we are not asking him to take our word that we are engaged in a business that is really worth-while, but ask him to try and honestly feel that he is actually conversing with these 25 men, and that they are telling him, as they would if he could talk to them, just what they have told us in their letters.

Will Want Service When They Know of It

When he learns from them that they did not know of this service until it was brought to their attention, and when he sees how appreciative they now are, because of its value to them, it opens up to the agent a large field of prospects. If only one man in ten, as an illustration, is familiar with this service, he begins to feel that the other nine, who are not familiar with it, based on the experience of these 25 men to whom he has talked, would at least be interested in hearing about the service, and among those who become interested a certain number will want to use it, and among those who want to use it will be a certain number who themselves, because of the very nature of the service, will have before them a picture from which they will draw their own conclusions that they need more life insurance.

This reminds me of something else that these sales executives told me. It was, indeed, surprising to find that all of them, without a single exception, based of course on their own experience and observation, seemed to feel that the average life insurance salesman in his sales methods conveys the impression that he is telling the prospect what he (the prospect) should do, and in attempting to create desire, he states conclusions instead of giving information from which the prospect draws his own conclusions.

Had Wrong Mental Attitude

The first man who came into our agency after the first of the year had previously left the life insurance business as he was unhappy in it. He was unhappy because he was using the selling methods which these sales executives state were being used by the average life insurance salesman, and with these methods this man said he could not get the right mental attitude. Through the use of the selling methods which I will discuss in just a few minutes, he was able to get an entirely different mental attitude toward his job, and during the first six months of this year he qualified for our leaders' club.

Another young fellow in the agency only earned \$2,000 last year, and he had never written a case larger than \$10,000. After getting the mental attitude we attempted to set up in the agency the first of the year, he started out, and through the use of the sales fundamentals which we will discuss, broke his record three times in January and during the first six months of this year paid for over \$350,000, actually receiv-

ing in first commissions over \$4,500, giving him 50 percent more in cash than he had earned in the last year of the thirteen years he was in his former position, and this of course does not take into consideration his deferred first commissions and renewals.

Know Enough About Life Insurance

These men have repeatedly told me that they do not feel that they know very much more about life insurance than they did several months ago, but that the increase in their business has been brought about through the use of different sales methods from which they got the right mental attitude.

You are all familiar with the old saying "Knowledge is power" and isn't it imperative to have knowledge if one is to have confidence? But, the experience of these two men confirms the statement the 25 sales executives made in saying that in their opinion the average life insurance salesman knows enough about life insurance as life insurance to probably double his pro-



WILLIAM M. DUFF, Pittsburgh
Equitable Life of New York

duction if he had a better understanding and could effectively use the fundamentals of selling.

Most of these sales executives stated that it seemed to them a great many life insurance men talk in generalities about their business, and that an outstanding weakness in the methods used by the average life insurance salesman is that he does not support general statements when he makes them.

There are, as you folks know, only four ways in which a general statement can be supported, and no matter how long you talk, in attempting to support a general statement or get a man to believe what you say, your statements could all be classified under four headings, which are as follows: reiteration, general illustrations, specific illustrations and testimony.

OATS Crystallizes Selling Fundamentals

A very careful analysis of the sales plans and methods used by the most successful corporations in practically every other line of business shows that nearly all of their sales plans have been based on these fundamentals, particularly specific illustrations and testimony; and in this discussion from now on I will speak of these two fundamentals

as we do in our agency by calling them "Oats"—O-A-T-S.

We looked for some word in which we could crystallize in the minds of our men and keep before them these fundamentals, and when we speak of using OATS in talking to prospects, we mean by OATS using

Oral anecdotes, testimony and stories—
O-A standing for ORAL ANECDOTES
T standing for TESTIMONY
S standing for STORIES.

How OATS Are Used Effectively in Selling

How many of you people here today, in your sales work, carry with you a list of prominent policyholders who have given you written permission to use their names? How many carry with you letters from satisfied clients whose influence you feel would be helpful to you? Don't you feel that comparatively few men in the life insurance work are using what we are speaking of as OATS?

Let's try to illustrate the way OATS is used effectively, and with splendid results in other lines of business:

A couple of months ago when talking to a tailor from whom I bought clothes

Mr. Levy has made clothes for most of the prominent judges and lawyers in Buffalo for a great many years. You probably know Judge Hinckley, Judge Lytell, Fay Carr, Harold Adams and others whom I could mention." Levy then said: "A funny thing happened the next day, because this lawyer came in and said to me: 'I understand you make clothes for Fay Carr'—and when I told him that I did, he said: 'Well then you better make me a suit, because if you make clothes good enough for Fay Carr, you can make clothes good enough for me.'"

This was interesting because the tailor's presser used, probably unconsciously, what we call OATS, and instinctively seemed to know that it would be much more effective to use what we call "kind for kind—and size for size" in that this lawyer would be more interested in the lawyers for whom this tailor made clothes, than he would be in butter-and-egg men.

Influenced by What Other People Say

Just to give you, quickly, other illustrations:

How many of you have ever seen a picture of J. Pierpont Morgan's sister in a display ad in a newspaper? This ad has been run in newspapers throughout the country, and this advertising must cost thousands and thousands of dollars. The people spending this money are successful business people, and isn't it reasonable to assume that they are spending this money because from experience they have found that it pays to do so—by helping increase their sales? When you carefully read this ad you find that in substance practically all there is to it, is a statement from Miss Anne Morgan, in which she says that even though she is blindfolded she can always tell the difference between Old Gold cigarettes and others, because of the unusually fine flavor and taste of Old Gold. If this ad and ads of a similar nature help increase sales, isn't it, basically, because of the fact that people are influenced by what other people say and what they do?

Salesman Appeals to Successful Examples

How many men in the audience today have at some time or other taken the Alexander Hamilton Institute course, or have talked to one of their successful salesmen? As you recall what we will speak of as his sales talk, doesn't it seem to you that most of it was built around the fact that a large number of outstanding executives, whom he specifically told you about, had been students or were students at the present time in the institute, and then he further supported these specific illustrations by probably saying: "Doesn't this indicate that this training must be of even greater benefit than I have told you, when a man, for instance, like Mr. Jones, who is president of the First National Bank in Grand Rapids, says as he does in this letter that he attributes a large part of his success to the wonderful training he received through the course he took with the institute?"

Testimonials Sell Kidney Pills

You are all familiar with hundreds of illustrations of a similar nature in all kinds of business but one more striking illustration that comes to my mind in Buffalo is that of Mr. Foster, who has made millions of dollars, and who has sold his product throughout the world by using sales methods that, basically, were built upon the premise I am speaking of as OATS. The sales plans used in his organization were built around, in principal, a letter from a woman possibly in a crossroads town in South Carolina, whom no one has ever heard about, in which she states

that after several years of severe backache she was restored to health through the use of Doan's Kidney Pills.

Some of you are apparently laughing at this statement, but it was only a couple of weeks ago in New York that one of the outstanding advertising men of the country told me that just the week before he had told the president of one of the largest corporations in the state of New York, which is spending a million dollars this year for advertising, that they could not do any better than to go back to the old fundamental principles used by the patent medicine people 50 years ago.

Problem Is the Same As in Other Lines

Hasn't the use of OATS in these various lines, as well as in hundreds of others with which you are familiar, been a most important factor in increasing their volume of sales?

Isn't the problem in life insurance the same as in other lines of business—really nothing more than getting men to change their opinions; for instance, getting a man who says he is not interested to become interested, and getting the man who says he cannot afford more to say he can afford more? Isn't the biggest problem of the average life insurance salesman one of getting interviews or an opportunity to tell his story?

While I think of it, for just a moment getting back to what these sales executives told me—they seemed to feel that the average life insurance man seems too anxious to sell when attempting to create desire. We set up in our office as a fundamental to keep in mind—"A refusal to sell is an incentive to buy."

Getting the Customer Eager to Buy

It makes me think of the fur coat story:

A woman goes into a fur shop on Fifth avenue to buy a fur coat, and after the salesman gets her size and finds out about what she has in mind, he goes over to the rack and takes off the coat he hopes to sell her, and without saying anything to her he takes that coat to the far corner of the room and throws it over the back of a chair. He then goes back to the rack and takes off another coat for her to try on, knowing that four out of five women will say: "What is that coat you put over there?"

Then, he tells her that that coat is the only one of that kind they have in stock and that it has been sold. Psychologically, it puts the woman in the position from that time on as feeling that anything the clerk says about that coat is not said with the thought of trying to get her to buy it, and when he says, perhaps in an offhand way: "Just a minute, I'll show it to you"—and then tells her how wonderful it looks on her and what a wonderful piece of material it is, she, because of accepting these statements with less resistance than if she thought he was trying to sell it to her, would begin to feel that that was the one coat she wanted, and finally on the basis of giving the customer what she wants, he tells her that he will go to the manager to see if he can get that coat for her, and when he comes back in four or five minutes, the clerk tells her that he has persuaded the sales manager to let her have the coat—and she is very much pleased.

You can imagine the customer, can't you, at dinner telling her husband what a wonderfully fine salesman waited on her, and that she got the only coat of its kind in the store, and had real difficulty in getting it, because it had been sold to someone else.

Naturally, we would not advocate this particular sales method, but are using it simply as an illustration to demon-

strate the fact that there is less sales resistance when people feel that they are not being sold than when they feel that they are being sold.

Now let's tie up the use of OATS with life insurance, because THE USE OF OATS WILL INCREASE YOUR PRODUCTION.

How many of you folks are interested in program insurance and trust company service?

Job Is to Get Picture Before Buyer's Mind

Suppose, as an illustration, you are talking to a married man with no children about a program or trust plan. He says after you talk to him a few minutes that he would not be interested. In our agency we give the type of men on whom we call credit for being honest, realizing that his feelings, when we call on him, are based on the deductions or conclusions that he has drawn from the picture of life insurance service then in his mind. Possibly if we had the same picture in our minds which he has, we would feel just as he feels.

Our job, as we see it, is to get our picture before him—not by a series of conclusions and ask him to believe what



GEORGE E. LACKEY, Oklahoma City
Massachusetts Mutual Life

we tell him because we tell him, but to get a different picture before him by using specific illustrations and testimony, which we call OATS. Through the use of OATS we try to give him a different picture so his deductions and conclusions from this new picture will be favorable to our proposition.

Perhaps he says his wife can handle money, and if he were to leave her a million dollars, he would not have to give a moment's thought to it. We would immediately try to get over on his side of the fence by telling him that we can understand how he feels because there are exceptional women like his wife, who can handle money, and then instead of stating a conclusion that practically all life insurance money is lost when left in this way, we give him the OATS or a picture from which his deductions or his own conclusions may get him to feel favorable to our plan or change his opinion.

We might say as an illustration: "Mr. Jones, I had a funny experience the other day—a man came into the office to see me and started out by saying: 'Weeks, do you think I am selfish?' 'Why,' I said, 'I don't know what's on your mind—what is it—sit down.' Then he said: 'Well, you know I have carried a large line of life insurance for a great many years, and it is, naturally, all payable to my wife, and I know that even if it were twice the amount I have, that she could handle it without any question, but the other night somehow or other I got to thinking, as I never had before, just what would



FRANKLIN W. GANSE, Boston
National Association Trustee

for the past several years, he told me that he had never obtained any results from a lot of money he had spent in direct mail advertising or circularizing. Knowing that he was interested in salesmanship, I said: "Louie, you do not use the same fundamentals in your advertising that you do in talking to a man when he comes into your store for the first time, do you?" He said: "What do you mean?" Then I replied: "Based on my observation of your sales talk to a man who comes into your store for the first time, it seems to me that you would not know what to say to a prospective customer if you could not tell him about the prominent men for whom you make clothes—how many years you have made them—and what they enthusiastically say about your good work."

He began to laugh: "You are absolutely right." Just to illustrate the point he said: "A prominent lawyer, for whom I have been pressing clothes for several years, came in the other day and left a suit to be pressed, and as he started to go out, he asked the old man who does my pressing if I made good clothes, and of course my man told him I did. He then asked if I could fit him, and my man told him that of course I could." I said: "Wait a minute, Louie—it seems to me that your presser is asking this lawyer to believe him simply because he told him so."

My tailor then interrupted and said: "But let me tell you what he then said—he then told this lawyer, 'Oh, yes,

"Too Good to Be True!" Agent Hesitated for a Year

An Agent who recently joined The Columbus Mutual, after a year's deliberation, when asked to explain his hesitation, said he had held back because The Golden Rule Agency Contract "seemed too good to be true."

In the Columbus Mutual Agency force there exists a Morale that is wholly without precedent in Life Insurance for the contract is as "True" as it is "Good."

You may want to "think it over" for several months or a year but today is the day to mail your inquiry for information concerning the fairest and most profitable agency contract ever devised.

COLUMBUS MUTUAL LIFE

C. W. Brandon,
President



Columbus,
Ohio

If from the Policyholder's viewpoint you are interested in relative superiority of companies listed as "Excellent" in Best's Chart, try to find one that excels The Columbus Mutual in any respect. Make any tests or comparisons you please.

The OLD LINE LIFE
Insurance Company of America

Home Office Milwaukee, Wisconsin

is operating in the following states: California, Illinois, Iowa, Michigan, Minnesota, Ohio, Oregon, Oklahoma, Pennsylvania, South Dakota, Texas, Washington, Wisconsin.

Please send me "Strong Points" and "Interesting Facts" about the Company.

Name.....

Address.....

happen if anything happened to me, and as I figured it out I knew that within three or four days after I was out of the picture that my wife would get checks for all of my insurance, which she would undoubtedly deposit in the bank. I felt that she would be upset, and the natural thing for her to do would be to go to Chicago and visit her only sister, her mother and father being deceased.

Mother of Assured Was Not Provided For

"Then the thought came to me—Well, suppose something happened to her while visiting her sister. She has no will at present and probably would not make one within three or four weeks of my death, and for that reason she would die intestate, and as I tried to follow the picture through as best I could, it seemed to me that my brother-in-law, who is a banker, would be appointed administrator of my wife's estate. Of course, I do not know much about law, but as I understand it, in about a year the surrogate judge would call my brother-in-law in and say: 'Greig, now that all of the bills have been paid and the claims satisfied, I have issued a decree directing you to turn over to your wife all of the personal property, together with all of the life insurance money which is still on deposit in the banks.'

"When this picture came into my mind, Weeks, I immediately thought of my mother, still living and in a way dependent upon me, who for years, when I was young, was always willing to make any sacrifice when necessary—and could see her when this situation would come to her attention saying to herself, and rightly so: 'If my son were alive I cannot help but feel that he would be more interested in having me get at least a part of this life insurance money, than to have it all go to his sister-in-law and brother-in-law'—in whom I naturally had no great financial interest."

"Now, Weeks, with this picture in mind as I have given it to you, do you think I am selfish in wanting to see if there is some way, without taking anything away from my wife, that I can provide for these contingencies I have mentioned?"

Never Realized What Could Possibly Happen

And naturally, Mr. Jones, I said to him: "No, I have never found a man who does not feel as you do. Why, just the other day when a man got the picture as to what would happen in his par-

ticular case, he said: 'Weeks, do you mean to tell me that if my wife died after I did as the situation now stands that my brother-in-law, to whom I do not even speak, would get all this life insurance money that my wife had received?'—and when I told him that that was what would happen, he said: 'Good heavens, Weeks, you can't go out of this office until we get this thing fixed up, because I could not sleep tonight, knowing that this thing was in this condition, and believe me, old man, I certainly am tickled to death that you came in here, because I never realized before that this sort of thing could possibly happen.'

The boys in our agency find that about three out of five men will then begin to inquire as to their own situation, and what would happen in their case, because it starts them to think of things that most of them have not thought about before, and this makes possible an interview in which a salesman has an opportunity to tell his story.

On the other hand, what are we going to say to a married man with children, who likewise says that his wife can handle money and that he is not interested in any sort of program or trust plan? Get over on his side of the fence and after he feels that we are not questioning his judgment, give him the OATS.

Appoints Guardian Father Would Not Have Selected

How are we going to give him the OATS? Why, as an illustration, tell him about the man who came into the office the other day and said: "Weeks, to whom do the insurance companies pay all the insurance money that is now payable to my wife if, when the policies become a claim, she were not living? The reason I ask the question is that my children are all small, and naturally I figure the company could not pay the money to children who are not of age." When I showed him a chart given to me by one of the large trust companies in western New York covering various contingencies of this kind, and when he saw that eventually the money would be paid to the children's guardian, he said: "Yes, but I do not know who that would be, and it makes me think of a case where, if the father could look back and see who the court appointed to handle all the money for his children, he would turn over in his grave. In this case I imagine the surrogate judge called in the man whom he appointed and said to him: 'I am under obligation to you

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for what you did for me in the last political campaign, but this is the first opportunity I have had to show my appreciation. Now I have a nice, sweet estate to turn over to you, and between you and me, Bill, you will have a chance to make a nice piece of change out of it." And of course, Weeks, this is perfectly legitimate, but the point I have in mind is that I know that this father would prefer probably one hundred other men to the one the court appointed, and in my case I do not want to take any chance on the court appointing someone where, if I had a voice in the matter, I would most emphatically say: "I certainly do not want that fellow handling money for my children."

Through this illustration the man with whom we are trying to get an interview usually becomes interested, and asks questions about his own case, which gives us an opportunity to tell our story.

We have in our OATS manual this chart, to which I have just referred, published by the largest trust company in western New York, and our men say it is tremendously helpful in getting interviews on programing and trust company service.

Should Not Ask for Belief of Mere Word

To illustrate what I mean: The other day a fellow told me he was not interested in more life insurance, but when he told me he owned his own home, I asked him if it was in his name. He said: "No, it's in my wife's name." After finding out that his wife had not made a will, I said: "Ed, is it your thought that if she died the house would belong to you?" And he replied: "Belong to me? Why, who in the world would it belong to, if it did not belong to me—I paid for it, didn't I?" And I said: "Yes, but, Ed, do you realize that if your wife dies without a will the law says that you would have only a life interest in the property but that the title would be vested in your two little girls, and that you could not dispose of that house and use the money to go in business, because the house would really belong to your two little girls?" Realizing that this seemed unreasonable to him, and knowing that he would not believe me, I used this chart as OATS, keeping in mind that we should not ask men to simply believe things because we tell them, and when in this chart he saw that the Marine Trust Company told him that what I said was true, he said: "For heaven's sake, we want to get that thing fixed up immediately," and as a result of this discussion of wills and getting him to think about a distribution of his property, which involved his life insurance, he finally decided that he needed more life insurance to do some of the things that he wanted to do, when he stopped to think about it.

Widow Had to Account to a Snippy Clerk

This chart is of interest to most every man we call upon, who has not made a will. Folks, there are thousands of people in every community who have not made wills, and in giving a man OATS we frequently tell him about a woman who came into the office and said: "Mr. Weeks, I never felt so humiliated in my life as this morning when I came from the surrogate's office where I was talking to a snippy clerk, who, from the way he talked to me made me feel that someone ought to check me to make sure that the income from the money my husband left my daughter was being properly spent by me." This woman said, naturally, she knew her husband would turn over in his grave if he could see the situation as it now existed, because it was his intention to leave everything to her, but unfortunately he never made a will, and his wishes could not be respected, as the law provided

that the estate had to be divided between the wife and the daughter, which necessitated the mother being appointed guardian for the little girl, and as she said, had made it necessary for her to go to the surrogate court just as though she had no interest in the daughter, and tell the clerk over there what she was doing with the income, and how much she paid for shoes, clothing, etc., for her own daughter.

Isn't it a part of our work to bring stories of this kind before men through the use of what we are calling OATS today to get them to think about these things that this man and thousands of others do not think about.

Another illustration of the use of OATS:

A short time ago one of the boys in the office interested a man in a plan and to the point where he decided to buy more life insurance, but he finally said that he did not know anything about our company. Now here is the way our man gave him the OATS.

In reply to the prospect's statement he said. "Mr. Jones, I am very glad that you brought up the question of the financial standing of the Provident Mutual, because for over 60 years the Provident has been one of the outstanding financial institutions of this country. Mr. Jones, we never use a man's

name without his written permission to do so, but it may be of interest to you to know the type of outstanding financial men in Buffalo who are clients of ours, and who have given us written permission to use their names, apparently because of the high regard they have for our company. As an illustration here is George Rand, president of the Marine Trust Company; Seymour Knox, vice-president and largest stockholder of that bank; Walter Munro of Glenny, Munro & Moll; Jay Brennan of Blair & Company; Bill Yerkes of Dillon-Read; Theodore Pomeroy, partner of Erickson Perkins; and, Mr. Jones, I could go on and give you a list as long as my arm of men whose business is finance like these men; but aren't you satisfied, Mr. Jones, that the Provident must measure up to the financial requirements that you would set up, because men of this type would not do business with the company unless it embodied all of the things that you would look for, would they?"

For a closing illustration as to the use of OATS in connection with programing and trust company service:

The other day when a Mr. Shutt said he was not interested, I said: "Are you familiar with the service we have in our office about which so many men are enthusiastic? For instance"—and

then turning to some OATS and our OATS manual I quickly showed him what several men had said about how well pleased they were with this service, which prompted Mr. Shutt to ask: "What is this service?"

Illustrates Service for His Prospect

Just as an illustration:

Here is a case where, in going over the insured's policies we found this was a plan which he had, but when we spoke of it to him as a plan he laughed and said: "Why, you can't call that a plan"—because, as you find in most cases, the insurance had been bought on a hit-or-miss basis. Then I showed the insured how, on the opposite page, we had worked out this insurance on the basis of a complete program, based on what the insured wanted to do in taking care of a great many contingencies, which had not been taken care of when we first got his policies.

"You can appreciate, Mr. Shutt, that when the insured looked at his insurance as we found it, and then saw all contingencies covered through the completed plan just as shown here, that he said as he does in this letter, that he never felt so well pleased before in his life, because he now knew that

WHY ARE SPRINGFIELD LIFE AGENTS SUCCESSFUL?

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The Answer is simple. Ours is a Company that is sincerely interested in its Field Workers. An interest that is more than cleverly written advertising copy for publication in the Insurance Journals. Our Executive Family believe and know that successful Agents are the very bone and sinew of the Company. To serve them 100% is their one thought.

Our Service is not mere idle chatter. It is a real effort to issue a policy on every insurable person. We issue both Standard and Sub-standard. Our occupational ratings are fair and liberal. Men and women are accepted on the same basis.

We issue all standard forms of old line, legal reserve, participating annual dividend policies. Our net cost is on a low competitive basis. Every policy we issue may be sold with premiums payable annually, or in semi-annual, quarterly or monthly installments, from the first year on. We have had 32 years experience with monthly premiums and have the necessary equipment to handle such business.

We write non-medical on very favorable conditions. Regular adult policies are issued to children from nearest age 10 up. We have a new policy for \$1.00 a month, issued to Children as low as 6 months and adults up to age 60. Our Agents are writing the entire family. Have you ever considered what this might mean to you?

Our Agency Contracts are liberal and fair. Non-forfeitable renewals are given without a service clause in the contract. We pay an exceptionally high second year renewal.

Specific information will be given upon request.

[Why not Serve and Succeed with The
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L. Hereford,
 President.

C. Hubert Anderson,
 Superintendent of Agencies

his insurance estate would take care of his family in just the way he had always hoped for."

Mr. Shutt then said: "Why, I have never seen anything like that before. Weeks, and I'd like something like that myself. But how much insurance would a man have to have to work out a plan of that kind?" Naturally, I told him that it depended entirely upon his own situation, which was undoubtedly different than the one I just pictured, and this resulted in his giving me the necessary information from which we could, together, determine how much more life insurance was needed to do what he said he wanted to do. Forty thousand was needed, and after some discussion as to working out the details he said: "Weeks, I will be just as tickled to get my insurance fixed up as this fellow was in the case you have just shown me."

Reiteration Helps Support Statement

Possibly you will feel that I have reiterated more than I should in giving these many illustrations. But reiteration, as we agreed in the beginning when discussing ways of supporting a statement, is one of the four ways in

which a general statement can be supported, and it makes me think of the German whose entire sales talk was based on reiteration, and in substance it was simply this:

What do you think—\$2,000 cash right in your hand in 20 years—pretty good, huh? Listen, what you think of this—\$2,000 right in your hand in 20 years—to you for yourself if you live, and if you die we give it to your wife right away—how's that, pretty good, huh?"

Up to this point we have discussed OATS as used by the men who use the program idea or trust company service, which naturally means the type of insurance salesman who calls upon the men with larger incomes, but how about the life insurance man who is writing smaller business, such as twos, threes, fives and tens.

Just to illustrate:

Can't the life insurance salesman use OATS just as effectively when talking to a man about a \$5,000 policy, as the bigger writer does when talking to men about programming or trust company service? Can't he show letters from old policyholders who tell what a wonderful thing it has meant to them to have had such a policy? Can't he show actual results experienced by men who

naturally, based on their own experience, are enthusiastic about this wonderful policy? Can't he show what some man says in the way of a letter about what it meant to him to be able to get enough money on his policy to buy a small business that today has made him a rich man, and as he says in his letter, he honestly feels that if it had not been for this money that he saved through this policy, he would never have been able to take advantage of the opportunity? Can't he show a letter from a policyholder receiving disability benefits who tells what a wonderful thing it has been to him?

In some cases OATS, as to the value of life insurance from a credit standpoint, would be decidedly helpful. I remember a case I handled a couple of years ago where a man took \$700,000 of insurance—\$500,000 payable to the corporation of which he is president, to indemnify the stockholders in event of his death, because it was really a one-man business, and the success of the business depended entirely upon this one man. Two hundred thousand dollars was taken to be assigned to the bank who loaned him large sums of money, so that he could keep control of the common stock of the company.

Several months later, when talking about his business, which has been very successful, and the stock of which is listed on the New York Stock Exchange, he said: "Harvey, I have often thought of what that insurance has meant to me, because just as sure as I am sitting here, I can truthfully say that I know that it would not have been possible for me either to have raised the capital to finance the business or to have kept control myself if it had not been for the life insurance which I was able to get."

Can Be Applied in Educational Policy Sale

Just one more illustration:

Suppose you are going to talk to a man about an educational policy—can't you give him the OATS? Can't you show him what big executives say about favoring the college man in their organizations? Can't you give him OATS as to the financial advantages of a college education? Can't you also show him in black and white what other fathers say, who have taken advantage of such an educational plan?

In other words—you are not asking the prospect to take your word for it, but as I have attempted to bring out through this entire discussion, you are getting him to believe you by giving him an opportunity to converse with people in whose judgment he would have confidence, and you are not asking him to believe a single thing you tell him simply because you tell him.

Why, just to illustrate:

If he asks how much it costs to send a boy to college, the boys in our office come back and say something like this: "If he is going to Cornell, the registrar of Cornell says"—and then let him talk to the registrar of Cornell through a letter that the registrar has written to you telling what the cost is; or on the other hand, if he should go to Dartmouth, let him talk to the treasurer of Dartmouth through a similar letter.

Now in closing, folks, these thoughts, I fully appreciate, are not new to you because you successful salesmen are using these fundamentals every day. Possibly there are some of us who, by deliberately planning to use what we are calling OATS, could become more efficient in the use of these fundamentals, and thereby increase our production.

After recently talking to a large gathering of insurance men in Newark, N. J., one of the largest writers in the gathering came up to me after the meeting and said: "Weeks, I don't believe I ever analyzed just what my methods were, and when you began to talk about OATS I did not feel that I was using it, but as you went along I began to think of case after case that I have written; in fact, practically all of the larger cases I have written I have secured through the use of the very things you have been talking about, and to tell you the truth, Weeks, I find that men are interested in what other people, whose judgment they respect, do any day."

Some men can influence others by sheer force of a dominating personality; but does this plan of selling leave as good a taste with the prospect as when, through the use of OATS, the prospect feels that he is making his own deductions, drawing his own conclusions, and arriving at his own decisions?

Isn't the relationship between the salesman and the prospect more pleasant if the salesman does not seem to be forcing the issue; not telling the prospect what he should do? Naturally there is no set plan for all men to use—there is no one way to do it.

If you are not deliberately using specific illustrations and testimony, or what I call OATS, don't you feel that there are possibly times when the OATS that you individually could gather from your own experiences would be most helpful?

—“offers all the tools necessary to a man's success”

AFTER having had experience for nearly a quarter of a century with the Central Life Assurance Society (Mutual), Mr. Larson states this as his conviction: "If a man cannot make good with the Central Life Assurance Society, he cannot make good with any other." For in his present connection, Mr. Larson says, he has had effective cooperation, the best of sales service and every opportunity for advancement. Or summing it up, "All the tools necessary for any man's success."

Old Enough

to be thoroughly established

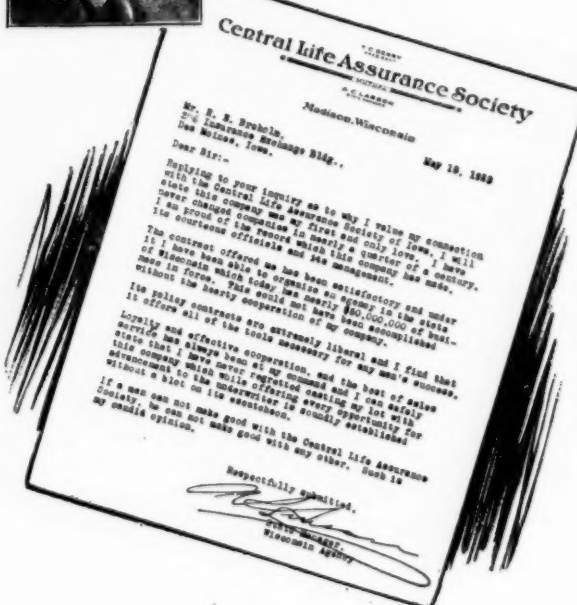
Young Enough

to offer exceptional opportunities

That briefly tells the reason why a connection with the Central Life Assurance Society (Mutual) has proved advantageous to so many men in the life insurance field. We still have many exceptional opportunities for younger men who are willing to pay the price of success in hard work. For to such men we can afford to give our fullest measure of cooperation.



A. C. Larson,
Supervisor,
Central Life
Assurance
Society,
(Mutual)
Madison,
Wisconsin.



T. C. DENNY
President

Central Life Assurance Society
(Mutual)

Des Moines, Iowa



Report Made on Life College

LIFE COLLEGE IS PROGRESSING NICELY

COURSES ATTRACTING GENERAL ATTENTION

Institution's Value Recognized in Insurance and Educational Circles.

By S. S. HUEBNER
Dean of American College of Life
Underwriters

President Clark has presented the most important particulars relating to the executive side of the College, and has asked me to outline for you those of a distinctly educational nature. This I shall endeavor to do under the following heads, without, however, touching upon the College's educational rules set forth in its printed literature:

Thirty-five candidates, from 21 different cities and 12 states, took the first

Dec. 27-29, and thereafter the examinations will be conducted but once a year, in June. Everything points to a very much larger number of candidates presenting themselves for the next December and June examinations.

Nearly every candidate who failed to secure the degree last June intends to try again in December. Inquiries thus far indicate that 125 candidates are now preparing for the next two examinations, and the correspondence has been so voluminous as to make your registrar and dean dizzy at times. Various universities and agency superintendents have also written that they are urging their prepared personnel to take the test. Several companies, through their educational departments, by way of printed literature or correspondence, are circularizing their personnel throughout the country. Nor must we overlook the activity of certain life underwriters' associations. One has advised that it expects to have 20 candidates take the examination in December, and another 10. It should be stated, also, that the C. L. U. degree has even a tendency to become international in character. In the June examinations, one of the successful candidates hailed from Shanghai, China, and needs only to complete his three years of satisfactory insurance experience to be entitled to the degree.

For the coming December and June examinations correspondence indicates at this date that we shall have three candidates, respectively from China, Madras and Prince Rupert. Foreign insurance interests are vitally interested in our College. On my recent trip I found the Japanese and Chinese anxious to know about it and its aims. And I may add that one of the leading insurance educators of Europe has requested the preparation of an article on "Life Insurance Education in America," with emphasis upon the American College of Life Underwriters' movement, for publication in the official organ of one of the world's leading educational insurance organizations with a membership in 24 nations.

Entire Life Insurance Fraternity Is Interested

Wherever I traveled this summer, attending numerous company and association conventions, I was struck by the genuine interest in the American College of Life Underwriters and by the large number who have personally assured me that they will strive for the C. L. U. degree. Everything seems to point to a total of at least 100 taking the next examination. I am now sure that the College has been successfully launched. I believe that the day is not far distant when your National association, since education is the key to the future of successful life underwriting, will be convinced that the American College of Life Underwriters is one of the greatest, if not the greatest, factor for good that it has ever initiated and fostered.

We are dealing with a degree and, therefore, the College cannot waver in the slightest as to the conditions of eligibility and the standards of the examination. We are emulating the C. P. A. degree in accounting, and the educational methods followed in other professions, and hence cannot afford to deviate from the standards set up elsewhere and recognized by the thoughtful public as essential in such things. We are dealing with an academic matter, intimately linked with the future dignity and advantage of life insurance and life underwriting in accordance with the originally defined objects of the College, and are therefore bound to be closely associated with the na-

tion's universities, colleges and other educational institutions. We must, therefore, have and maintain sufficiently high standards, and must never weaken in this respect. To do so would be suicidal as regards all the objects of the College. This has been the determined policy of the executive and educational officers of the College from the outset, and I am sure will continue to remain so.

Eligibility Conditions Have Been Published

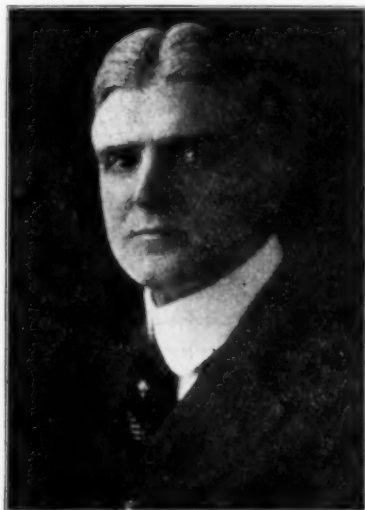
The conditions of eligibility for the examinations are fully set forth in the College's printed literature. They are the same as those for admission to universities or for the C. P. A. or other professional examinations. The methods of holding and grading the examinations, and the standard for passing the same, are similar to those in our colleges and in accounting. The subjects covered by the examinations, aside from life insurance proper, are the leading business subjects required in the examinations of other business callings, aspiring to the dignity of a profession. They suggest themselves, as a matter of course, then life underwriting is analyzed as the underwriting of human life values. Leading underwriters recognize the value of these subjects and it is the object of the College to give emphasis to and wider application of the thought. Life underwriting service consists of knowledge plus honesty. Honesty without knowledge is not service, just as knowledge without honesty also is not service. The two must be combined, and assuming professional conduct, the all-important thing is knowledge. The underwriter, if his mind is to be on a parity with that of his business client, should know thoroughly the things in which life insurance and life underwriting deal, namely, business. We may enlarge some day on the subject-matter, but, with many outsiders watching our efforts and intentions, we cannot well afford to subtract.

Universities Endorse Life College Aims

Although we have only fairly started, general familiarity with the College and its standards and purposes already exists throughout educational circles. The correspondence shows whole-hearted interest has been very extensive and is proceeding unabated. Twenty-five leading universities and colleges have already, through their deans or directors of their business schools, endorsed our College and its aims, and have given their assurance of cooperation and support. Names should probably not be mentioned at this early date, but all the correspondence shows whole-hearted support, and between the lines can be read no little surprise as to the new order of things and the businesslike attitude assumed by the underwriting profession. About half a dozen of these institutions have signified their willingness to offer to their students in insurance the entire range of subjects outlined for the C. L. U. degree. Others indicated their willingness to do so as fast as conditions permit. Three leading universities have stated their intention to recognize the C. L. U. degree in their circulars in a manner similar to that accorded to the C. P. A. degree. In only one instance did the board of trustees act adversely to our College's suggestion, "for the time being and because of local conditions." But the professor of insurance at that institution expressed his full support of our program and expects a favorable reconsideration in the near future. In several additional centers, it should be added, local underwriters, acting on behalf of

their local associations, have virtually succeeded in linking the university of their city to our College's educational program.

The College has had the fullest cooperation, without a single exception, from universities and colleges in the establishment of examination centers. In fact, a number that had not been approached about the matter because we had no candidates for the examination in those districts, offered their accommodations gratuitously. For the June test examination centers were established at the universities of Cincinnati, Indiana, Minnesota, Nebraska, Pennsylvania, Pittsburgh, Southern California and Washington, and at Boston University, Detroit University, New York University, Oklahoma City University, Buffalo School of Commerce, and Rice Institute at Houston, Tex. These were the only examination centers required for the first examination. Others can easily be arranged for as needed, and the College stands ready to do so. Everywhere I am asked about the place of the examinations. This should give no concern. The College will establish reasonably convenient centers wherever needed, and the registrar will be glad



ERNEST J. CLARK, Baltimore
President American College of Life
Underwriters



JOHN NEWTON RUSSELL, Los Angeles
Former President National Association

to make the arrangements upon request.

But the College is not concerned solely with the giving of examinations. Two of its declared purposes are: (1) "To encourage and foster the training of students in educational institutions for the career of professional life underwriter," and (2) "to cooperate with educational institutions in general life insurance education, since the subject is regarded as fundamentally important and well worthy of incorporation into the curriculum of our business schools." To these ends the College stands prepared to cooperate in every way possible with universities and colleges which are contemplating the giving of insurance courses. We trust that local underwriters will assist in this important matter, and the educational officers of the College, in turn, promise not only to initiate such instruction themselves, wherever possible, but to assist those who are helping in this cause. We also hope to organize a sort of clearing house for available teachers of insurance, one of the great problems for colleges today because of past neglect of the subject. Three institutions of learning have already made a request for help along this line. Any assistance we may obtain

by way of suggested capable persons for teaching purposes will be greatly appreciated. We stand ready to help institutions of learning to outline their course of insurance instruction or to assist in any other way as far as practicable. Several other large insurance associations are also interested in spreading insurance education in our schools and we have offered our cooperation to them, just as we stand ready to cooperate with all others who wish thus to promote the future welfare of insurance.

Future of the College

The future of the College seems exceedingly bright. The dean, and the same is true of his colleagues, entered the service of the College because of a profound belief in the value of education. But we entered with a little fear and trembling. We wondered whether the time was just ripe, although we were sure of the correctness of the idea. We are now feeling much better.

The College is essentially a young man's movement, the main results of

with today would never have arisen, or if so would already have been relegated to oblivion."

Things are progressing nicely with institutions of learning. We also hope soon to organize an effective alumni association of the American College of Life Underwriters. College matters are also progressing fairly well as regards local underwriters' associations, life insurance agencies, and the home offices. But with respect to life insurance circles much more can be done to give impetus to our College. We must not expect the principal influence to come from without. The main influence must come from within. The home offices and their field representatives must get behind the movement in earnest. The local associations must make the college and its three declared purposes a part of their regular program, and the officers of the College stand ready to help to the utmost. The home offices should urge their personnel to take advantage of the opportunity and that not in a half-hearted way, and the officers of the College will again cooperate in every way possible. If that is done the future of the College is assured. If education is the key to the future of life underwriting, then outside forces—the universities as well as other public agencies—will respond just as the members of the calling itself show enthusiasm for our College.

TELLS COMMERCE CHAMBER WORK

John L. Shuff, of Cincinnati, who was appointed chairman of the chamber of commerce co-operation committee of the National association following the death of Edward A. Woods, in reporting for that committee reviewed especially the activities of the insurance committee of the Chamber of Commerce of the United States.

"The chamber of commerce committee," he said, "kept closely in touch with the legislation in the various states endeavoring, if possible, to reduce the taxation of premiums and to equalize the cost of the management of the various insurance departments, but it is a long road to travel and doubtful of success. During the next year 45 state legislatures will be in session, and it will require much care to prevent adverse taxation.

"The national chamber of commerce is endeavoring to have insurance committees. In all the chambers of commerce we have members of this national body and are increasing the numbers rapidly.

Extending Birth Registration Area

"The national chamber is making a survey and endeavoring to bring about a complete birth and death registration in all the states in the union. At present 41 states and the District of Columbia, representing 89.9 per cent of our total population, are included in the federal birth registration area. This should be of great value to the insurance companies for identification and prevention of fraud by the insured making a false statement as to date of birth.

"About 275 chambers of commerce and trade associations have their cooperative committees working in conjunction with the National Association of Life Underwriters and other agencies, aiming to give valuable service and endeavoring to serve and give dependable information as to policies in existence."

Sarah Frances Jones, of Chicago, prominent woman life underwriter, was present for the opening of the convention as usual. Miss Jones, who is most qualified for the million dollar group and was thus present as a guest, says that she has never missed a convention since she has entered the business.

HIGH TRIBUTE PAID LATE ORVILLE THORP

J. STANLEY EDWARDS TELLS OF HIS WORK

Career and Services of Past President Fittingly Reviewed.

At the first convention session, high tribute was paid to the late Orville Thorp, of Dallas, Tex., past president of the National Association of Life Underwriters, by J. Stanley Edwards of Denver, Mr. Thorp's predecessor in the presidency of the National association. Mr. Edwards said in part:

"A full life such as that of our fallen leader, devoted as it was to unselfishness and good deeds, was not lived in vain but his 'works do follow him.'"

"He chose a business that gave unusual opportunity, but one which all life underwriters possess, of making life more worth while for others. His was no mere vision or accomplishment of business success. His activities extended in helpfulness to all those around him through his personal interest and through the channels of the different organizations with which he has been so prominently identified. Let us not mourn his passing but rather emulate his example.

"The National association extends to his family and close business associates its sincere sympathy. We, too, take pride in the achievements of his life and point our members to his purposeful career—a challenge to them to carry on in the high field of endeavor in which he labored and in which we too are partners.

Career of Noted Leader Reviewed

"Orville Thorp was born near Danville, Ind., in 1875. He spent his early boyhood on a Missouri farm. He graduated from Missouri State Normal School in 1896. Shortly afterward he became field representative of the Kansas City Life. In 1905, he became manager of that company for the state of Texas, starting first with desk room and building an agency that at the time of his death numbered 38,000 policyholders carrying \$85,000,000 of insurance.

"From 1912 he served two terms as president of the North Texas Association of Life Underwriters. In 1918 he was elected vice-president of the National association and served as a member of the executive committee. In 1920 he was elected president of the National association.

Prominent in Civic and Cultural Activities

"Aside from the activities of Mr. Thorp in his chosen business of life underwriting, he was prominently identified with the civic, financial and cultural life of his city and state. Mr. Thorp lent his activities to educational and charitable work, as well as civic and business affairs. He furnished scholarships to a number of young men and women who would not otherwise have been able to attend college. He was a lover of art and had an enviable collection in his home, gathered from his many foreign trips.

"In 1906 he married Miss Leona May Brown, whom he knew during school days and who was throughout his after life his constant companion and inspiration. Mrs. Thorp always accompanied him in attendance at these conventions and is personally known to many of us. On the eve of another world tour with Mrs. Thorp, he died at his home in Dallas, June 20.

"Mr. Thorp's company, the Kansas City Life, recognized him as not only its greatest business builder in the field, but as a man of dynamic energy,

of unimpeachable integrity and one whose work with the company served as an inspiration and example for all associated with the company.

Recognized as Company's Greatest Business Builder

"Many of the friends of Orville Thorp, close to him in the activities of the National Association of Life Underwriters, believe that his health was impaired by the tremendous energy and zeal he displayed during the year of his presidency in 1921. The slogan Mr. Thorp chose for the association that year was 'Co-operative Underwriting.' He visualized life insurance as a solvent of many of the country's economic and social problems and as filling America's need as no other single institution could do.

"Mr. Thorp believed that life insurance men and women were, or should be, evangelists or crusaders in so presenting life insurance to the American people and that it was their task as agents to promote a better citizenship. Orville Thorp was a believer in the theory of higher training of underwriters, and that agents and the busi-



JOHN L. SHUFF, Cincinnati
Former President National Association

ness should keep abreast of new standards and new methods.

"He continued to sponsor what is now common but was then in the pioneer stage—the holding of regional sales conferences by life underwriters. During his presidency of the National association he conducted a survey as to the number of agency contracts in force and the number of agents producing various amounts of business. Among 127 companies surveyed there were 19,392 agents who wrote \$100,000 of business or over, practically the then numerical strength of the National association.

Sponsored Regional Sales Conference Idea

"His genial personality, together with his capacity and willingness for hard work, gained Mr. Thorp the admiration and affection of all who knew him, nor did his efforts cease with his term of office as National association president. His continued interest in the problems and the progress of life underwriting has been evidenced by the regularity of his attendance at national conferences ever since. He was a faithful attendant at mid-year meetings of the executive committee. His advice and counsel were sought and followed on many occasions.

"He was present at the mid-year meeting in New York last March and took part in the discussions of the executive committee and the meetings of the trustees with his usual vigor and interest. The loss of his passing will be long felt, not only by his personal friends and associates, but by the life insurance fraternity at large whom he so faithfully served."



H. P. JEFFERS, Columbus, Ohio
National Association Trustee

which will become apparent in the next decade or two. Life insurance is a calling of ideas practically applied. The ideas are those treated in our leading business subjects. This constitutes the main subject matter of my address before your convention this year. As I there state:

An Alumni Association

"Avoidance of study of these subjects is the height of folly. Underwriters also have a life value, and not only their clients, and should try to make the most of it. The business subjects covered by the C. L. U. examinations, as well as the subject of life insurance proper, are being or will be soon presented each year to thousands upon thousands who attend our business schools and who will be the business and community leaders of the future. If life underwriters do not soon adopt wholeheartedly an educational program such as the American College of Life Underwriters has outlined, I am safe in saying that within another decade the average business man will be better informed about life insurance matters, as they relate to his needs, than is the average life underwriter himself. That would certainly be an embarrassing situation. Such an educational program should have been adopted and energetically pursued long ago. If it had been, the general respect of the public for the calling of life underwriting would be much greater than it is today. If it had been, many of the most serious problems that this National association is contending

AGENCY MANAGEMENT RECOGNIZED CAREER

(Continued from Page 2)

production of apples. But if the man will mature those trees for a number of years (I believe I am right in recalling that apple trees begin to come into reasonable production about their seventh year) at the end of the seventh year he will begin to get apples. It seems to us there are many agencies that might well take note of that idea, that if you will build men you will get production and if you don't build man power you won't get any production even though you think about the goal of production as the only thing that you consider in recognizing the goal you want to reach.

Agent's Job Better Done Than Manager's

As a manager of an agency you are trying to build something, call it what you will. You are trying to build something. And it seems to us that the career of the soliciting agent is something that you might well consider pretty carefully. I think that it is safe to say that the job of the soliciting agent today is being far better done than the job of the general agent and for the very obvious reason that so much more attention has been put upon it.

There is a far greater need of planning in managing an agency than can be taken into consideration in being an agent. Yet the agents in your agency are coming to plan their work. They are being urged to plan on Monday night what they will do on Tuesday. It certainly behooves the manager of that agency to plan his affairs with at least equal evidence of care equal to the work of the soliciting agents.

It was a wise general agent that said at the beginning of 1928, "I expect to carry out in 1928 the plans that I set out to carry through in 1927 and 1926 and 1925."

Agency That Has a Plan Interests Prospective Agent

What is your schedule? If I am coming into your agency can you tell me what the training plan is for six days or six weeks or six months? If you can, I probably am much more likely to wish to work for you than if you would merely dwell on glittering generalities, which quite likely I am sufficiently intelligent to recognize.

The kind of an agency that I want to work for as a new prospective agent is the agency that has a plan for training and that can tell me what it is and

that can indicate to me that by going through that plan I perhaps can be a success and certainly have greater likelihood than if there was no such plan in that agency.

PROTECT BUSINESS BY LIFE INSURANCE

(Continued from Page 7)

capital be lost and the capacity capital of the successor unknown, removing the necessity to depend on the credit capital the former capacity brought; and it can help to select, attract and secure the precise individual needed to substitute for any lost executive.

Helps in Solution of Four Major Problems

Even so hasty a survey of the fabric of business as we have thus far made discloses that four major problems present themselves, singly or in combination, in the solution of which life insurance can best meet the situation where death causes the problem to arise.

1. The enterprise may lose an important man who may be an owner or merely an employee. His value to the concern may be due to his technical knowledge or skill, his managerial ability, his financial responsibility or to his advice because of his experience. But in many cases it may arise because of the good will he holds or the business he controls even though he be not active. Again he may stand between the firm and attack from unfriendly or hostile interests.

May Impair Possessions to Meet Liabilities

2. The present possessions and credit of the concern may be impaired by sudden efforts to meet, almost on demand, the liabilities of the enterprise with no help forthcoming from the deceased, and this demand may be the more insistent where any important factor in the business is removed.

3. The difficulty of retiring the interest of the deceased in the enterprise is ever likely. While this is optional, though desirable, in a corporation, in a partnership it is a right of the deceased's representatives against which the survivor has no defense.

4. The disastrous shrinkage in the value of every asset the firm owns where liquidation and distribution of the net worth of the enterprise is suddenly made necessary.

Not only are the assets of almost every business today valued only as those of a going concern, which values are always tinged with hope, hence

overvalued, but all liabilities mature unexpectedly at par. No extension of time is possible, and credit favor is withdrawn. The resulting disaster may even operate to lower the credit standing of the survivors in any future venture they may undertake. It needs but a moment's imaginative reflection to see the application of life insurance as the quickest, surest, most economical and sometimes the only way of meeting any one of these problems at instant notice where brought about because of a death.

Problem of Protecting Small Corporation

While in the main the problems suggested have been those of partnerships, it must be remembered that a small corporation is not so completely immune from the results of the sudden loss of one of its principal factors as the theory of the law contemplates. In any event, even though by such death its existence is not terminated, its profit-making momentum is checked and its dissolution may be only postponed. Three problems confront the corporation in its efforts to continue. A new executive must be sought and, when found, strengthened in the discharge of his duties. The stock control must not be permitted to be taken out of the hands of the managing personnel, nor too widely distributed among them, or to be so delicately balanced as to make the executive timorous or to develop petty politics in the organization. And finally, the non-active shareholders must be kept happy and satisfied with the new administration and in sympathy with its problems. Life insurance offers an experimental fund for new executives, money with which to purchase and distribute, under a pre-arranged plan, any stock necessary to hold the stock control where it is desired to place it, and by increasing the value of their shares, affording them a ready market for their shares, and stabilizing their dividend income, retaining the good will of the non-acting shareholders.

Offers Opportunity and Responsibility

Our task of popularizing life insurance as an auxiliary to business success will not be completed nor accomplished by its adoption by our leading business men alone. Every business venture, however small and however weak, needs us and their need is in ratio to their weakness. We need, by intelligent demonstration, to weave it into the very fabric of business in correct denominations. Perhaps this can be better accomplished by present-

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LIFE INSURANCE EDITION

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ing it as an aid to profit-making for the living business than as a device to increase the salvage from a wreck. To stabilize the nation-wide business structure and to avoid the ruinous and yet needless losses brought about by death, in so many cases, the underlying elements of that structure must be strengthened. And to bring about the potential success to which an enterprise looks forward, the basis for that success must be stimulated and left less individual and precarious.

MANAGERS STUDY AGENCY PLANNING

(Continued from Page 2)

ton L. Woodward, Detroit general agent for the Northwestern Mutual Life. Mr. Woodward's office is one of the outstanding organizations in the country and in four years has made remarkable strides in net gains and permanent growth. Mr. Woodward told of these accomplishments and of the agency program which had effected them, pointing especially to the value of intensive cultivation. He said that the business today needs more intelligent man-power and managerial ranks should develop this.

The managers' session was concluded by an interesting presentation of a planned agency meeting by H. E. Van de Walker, Michigan state manager for the Peoria Life, with headquarters at Ypsilanti. Mr. Van de Walker staged the regular September agency meeting of his organization, showing the convention how he develops a planned meeting in his field work.

"Walk-Up" Headquarters

Exercise or lack of it was not a notable factor at the Detroit convention, for the flooding of the Book Cadillac Hotel by the convention crowd made foot traffic essential for many when they desired to ascend or descend to the various floors of the hotel.



GUY MacLAUGHLIN, Houston, Texas
Vice-President American College of
Life Underwriters



FREDERICK A. SMART, Detroit
Chairman Publicity Committee



R. L. JONES, New York
State Mutual Life



S. G. DICKINSON
Field Representative, Life Insurance
Sales Research Bureau

LEADERS ARE LEARNERS

—PRES. WALTER DILL SCOTT
Northwestern University

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about the Life Insurance Business—These books
are recommended by Life Insurance Leaders*

THE LIFE UNDERWRITERS' GUIDE TO GOOD LIFE INSURANCE BOOKS

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A reflection of the author's long and varied experience covering the entire field of business building.
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Tells of the opportunities of the profession.
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Tried and proved methods of meeting the common objections.
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- OBJECTIONS AND ANSWERS**—Edwards 1.00
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- 100 WAYS OF CANVASSING FOR LIFE INSURANCE**—Alexander 3.50
Designed to assist the salesman to construct plans of his own. Published by The Spectator Company.
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Life Insurance Salesman- ship—Specialized

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A new book on this very important subject.
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Cooperation between Life Insurance and Trust Companies.
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Text book on life insurance by means of definitions of life insurance terms.

- EASY LESSONS IN LIFE INSURANCE**—Jackson \$1.50
Fundamentals of life insurance with some salesmanship material—quiz book attached.
- FUNCTIONS OF LIFE INSURANCE**—Rockwell 1.50
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- LIFE INSURANCE**—Huebner 2.75
Background of life insurance treated from the standpoint of a college text-book.
- LIFE INSURANCE**—Maclean 3.50
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CARE THE NATIONAL UNDERWRITER COMPANY
New York Chicago Cincinnati

EDWARD A. WOODS AN OUTSTANDING FIGURE

NOTABLE SERVICE TO LIFE INSURANCE TOLD

Held Preeminent Place in Varied Activities, In and Out of That Business.

By DR. JOHN A. STEVENSON

It would be a strange neglect of a beautiful and time-honored custom if, at this meeting of the National Association of Life Underwriters, we failed to pay tribute to those adored associates who have meant so much to us all.

The association has honored me beyond measure in asking me to be spokesman for this important body in paying its tribute to one of the most picturesque and one of the most distinguished characters the life insurance



H. E. VAN DE WALKER, Ypsilanti, Peoria Life

world has ever known. When attempting to speak of a person for whom I had as much personal affection as I had for Edward A. Woods, however, I understand quite pointedly the feeling of one of the ancient Athenians who doubted the wisdom of any remarks whatsoever at a time like this, declaring that when men had done great deeds they should be remembered by those deeds rather than by what others might or might not say in attempting to extol their virtues.

Life and Character Speak for Themselves

The life and character of our beloved associate speak eloquently and adequately for themselves. It is not difficult to point to the concrete results of his long and unselfish devotion to all that is best and most progressive in life underwriting. The admiration and affection which we have for him are the reflection of his own keen intellect, his high ideals, and his genuine love for his fellowmen. There would be little for me to say, then, if I hoped to tell you anything about Edward A. Woods which you do not already know. There is little that I can add to what has already been said.

You may remember it was at the early age of 15 that he began his life insurance career in the office of his father, who, at that time, was the Equitable's general agent in western Pennsylvania. He succeeded his father, and some years later the Edward A. Woods Company was incorporated, of which he became president and manager.

Built One of Outstanding General Agencies of World

Mr. Woods' sympathetic understanding of the human problems involved in agency administration, his genius as an organizer, his unflagging energy and enthusiasm all contributed to the outstanding success of his agency, which soon held a leading place among the

life insurance agencies of the world. It is a significant fact, however, that among all the articles written about Mr. Woods we find only the briefest mention of his exceptional record as a general agent. The results of his efforts spent in building his own agency, while remarkable in themselves, appear small when compared with his accomplishments for the profession of life underwriting. As someone has remarked, "It was not his work for his own company that will be perpetually remembered, but the constant, unwearying, inspiring leadership which he freely gave to his profession as a whole. It was always Mr. Woods who went forward with the banner for better service and higher standards."

Called Attention to Turnover Among Salesmen

Edward A. Woods was a militant evangelist. He expended almost unlimited amounts of money and energy in amassing facts to support the cause which he championed. The extent of his research was almost beyond human comprehension. How often have all of us, after listening to his lucid presentation of a cause, raised these questions: "Where on earth does that man find all of his material and when does he find time to do it all?"

It was Mr. Woods who, a number of years ago, called the attention of the life insurance fraternity to the great "turnover" among salesmen, and it was largely through his influence that the Bureau of Salesmanship Research at Carnegie Institute of Technology was established, the purpose of which was to investigate the cause of this turnover, in order that an attempt might be made to discover preventive measures. It probably is fair to say that since this effort was made all companies have given more consideration to the selection of their representatives, with the result that on the whole we find a better class of men are in the business today than a decade ago.

Big Factor in Starting Carnegie Tech School

An outgrowth of the work of this bureau was the establishment of an intensive training course in life insurance salesmanship at the Carnegie Institute of Technology. Mr. Woods saw the tremendous advantage of a school of this kind if life underwriting was to develop along professional lines, and it was, in a large part, due to his inspiration and effort that the idea became a reality. How many times the problems of that first school were taken to Mr. Woods for solution! He was the inspirer, the supporter and the father confessor of the faculty of that first school. Over and over, Griffin M. Lovelace, who was associated with me in this work, has said, "What would we have done without Mr. Woods in these trying days?" and we invariably agreed that without Mr. Woods we probably couldn't have "made the grade."

The work accomplished by this school was important in itself, but the real significance of the project lies in the emphasis put upon the idea of adequate training as a prerequisite for professional life underwriting—an idea that has had far-reaching results. Without the leadership of Mr. Woods, however, the cause of the better-trained agent probably would have been long delayed.

Why Association Owes Debt of Gratitude

There would be time for little else if I were to attempt to outline Mr. Woods' activities in the life insurance field and to speak of all the organizations to which he gave his time and his energy. All that is possible to do is to point out some of the chief reasons why we, as an association, owe a special debt of gratitude to Edward A. Woods.

Mr. Woods served the National association as chairman of its executive committee and for many years was a member of its board of trustees. As president

of the National association he put into operation certain projects which have redounded to untold advantage throughout the life insurance world. I am merely repeating what has been stated many times when I say that Mr. Woods was actively identified with, if not responsible for, practically all the progressive steps taken by this organization in the last 15 years.

Started Work With Trust Companies

We can all remember, for example, when there was little attempt at co-operation between life insurance companies and trust companies. The relationship which exists today is, in large measure, due to the efforts of Mr. Woods, who served as the association's representative with the trust company division of the American Bankers' Association. He was chairman of the International Council for several years, the purpose of the council being to maintain harmonious relations with underwriters across the border. He was chairman of a special committee on health conservation, and under his direction much good was accomplished in cooperating with the Chamber of Commerce of the United States. One of the most important achievements of Mr. Woods' affiliation with the association was the incorporation of the American College of Life Underwriters, of which institution he was the first president.

Books Hand Down His Practical Idealism

The enthusiasm which Mr. Woods felt for life underwriting has been handed down to us in his very comprehensive and scholarly book on "Life Underwriting as a Career." His book, "Creating and Conserving Estates," written in collaboration with Alexander C. Robinson, a trust company official, will continue his efforts to bring about a spirit of co-operation between life insurance companies and trust companies. His book on "America's Human Wealth," written in collaboration with C. B. Metzger, and his last book, "The Sociology of Life Insurance," which was published after his death, gives us a view of life insurance as a social factor which could be reproduced only through Mr. Woods' vast fund of knowledge. It should be a source of much satisfaction to us that these evidences of Mr. Woods' practical idealism remain for the life insurance fraternity.

Big Factor Outside Life Insurance Field

Since I can touch only briefly on the reasons why we owe a special debt of gratitude to a man who served as one of our presidents and who has always been a dominating influence in the association's affairs, you will realize the impossibility of touching on the debt of gratitude owed by the world at large to a man who did not let his interest in life insurance crowd out his civic or philanthropic interests. And yet, we get an incomplete idea of what Mr. Woods' life represented if we view him only as an outstanding figure in the life insurance world. He was an eminent citizen of his own state and a leader in many of the philanthropic enterprises of Pittsburgh. He was a director of the Mercy Hospital in Pittsburgh, and was, from the beginning, prominent in the council and activities of the Red Cross. As a matter of fact, his efforts to relieve the sufferers from an explosion in Pittsburgh occupied the last days of a full and busy life. The thought was expressed freely at the time that the name of Edward A. Woods should be added to the list of those who lost their lives in this great disaster. Wouldn't we all say, knowing him as we did, "He did not lose his life, he gave his life to relieve the sufferers"? His associates said he worked night and day with superhuman energy and with such great fidelity to his duty that he was wholly oblivious to his own condition or danger.

We emphasize these accomplishments because they furnish irrefutable evidence that Mr. Woods had "the heart to conceive, the understanding to direct, and the hand to execute" great enterprises. At the same time, when we think of Edward A. Woods, I believe most of us feel the loss of a friend whom we deeply loved as much as we feel the loss of a leader whom we honored. Over and over, Mr. Woods has been spoken of as "that best-beloved of life underwriters," and I think you will agree with me that this title was well earned.

Influence Will be Felt for Generations

The resolutions adopted at the time of Mr. Woods' death by the Indianapolis Association of Life Underwriters point out the fact that our National association owes more to Mr. Woods than to any other one man for constructive work in favor of the underwriters of the country at large, a man whose influence on the underwriting practices of the country will be felt through the generations to come, a man whose work with his own pen has produced life insurance volumes that will stand as authority, based as they are upon broad research and the experience wrought out of his own work. "But," the tribute continues, "more than agency builder and community builder and association builder was Edward A. Woods. He was a man among men, a man who had positive convictions, a man who planned for the carrying out of what he thought was right, a man who stood at all times for what he saw to be the proper procedure, and yet a man so tender in his sympathies that he was the patron saint of little children, a man strong for the battles of the world, clean in his own life and yet as kindly as a woman in his relationship with those who came within the circle of his friendship."

He was as versatile in thinking of ways to make people happy as he was versatile in his professional and civic activities. No one did so many thoughtful acts as he.

Joy and Inspiration to Have Known Him

We should congratulate ourselves that we have had the privilege of living in an age and being in the profession that could give a man of this type to the world. It is a joy and inspiration to us all to have known him, to have worked with him, to have followed him, to have loved him, and to remember him. Scientists tell us there are stars so far away that even if they should be taken away today we should still get their light for years to come. The star we are now honoring has that quality of brilliancy and persistency. His light will continue to shine on down through the ages of professional underwriting though he has been taken from us.

When the immortals in the service of modern, professional underwriting are chosen, many illustrious names will be rightfully and properly presented for consideration. Is there anyone who can doubt that our beloved Edward A. Woods will be chosen by acclamation?

Henry Ward Beecher in his "Life Thoughts" says, "Many men build as cathedrals were built, the part nearest the ground finished but that part which soars toward heaven, the turrets and the spires, forever incomplete." This remark could never be applied to Mr. Woods. His life and accomplishments represent one of the most glorious structures ever erected. The work of the architect is finished and there has been no lack of public recognition. It remains for us to study the completed whole and we must acknowledge ourselves lacking in appreciative ability if we fail to see the beauty and strength of the structure; lacking in the technique of our art if we cannot take lessons from the work of the master hand.

BIGGER RESULTS IN BUSINESS INSURANCE

SAME EFFORT PRODUCES MUCH LARGER VOLUME

Personal Experiences in Closing Cases of This Class and Methods Used.

BY THEODORE M. RIEHLE
General Agent Equitable Life, New York City

Business insurance, based on my experience, regardless of the size of the prospect, for the same amount of effort used produces the best results in volume of business and therefore in volume of earnings. This is not only because of the usual arguments for business insurance but also because of the fact that it is personal insurance in effect and also for the further fact that as developed by Dr. Huebner it is property insurance. If you can talk to a business man along the lines of appreciating his property value and safeguarding it by property insurance, you have an additional argument that comes close to his heart.

Incidentally I have found in my experience that with the same effort a man can sell from two to five times as much insurance if it is business insurance as he can of personal insurance. That is regardless of the size of the prospect. When all is said and done a man's business is very, very close to him.

Tobacco Importer's Case Used as Illustration

I will give you an illustration, a specific case: A man bought from me \$50,000 of personal insurance a little over a year ago. That was all I could do for him. I had him examined and had him sign plenty of papers and I issued a large line of business insurance and went to see him. I made some headway but couldn't close the case. He had no idea I was going to try to sell him business insurance. He became interested in it but refused to act. This was an importer of tobacco, with headquarters in Holland. His partner was in Amsterdam, and this man in New York refused to pass on insurance on his own life without his partner's consent, who was a resident and a citizen of Holland. He said he was going to attend the tobacco auction in Holland. He told me to write him fully and he would cable me yes or no. I said I would do that. My feeble brain started to operate and by that time he had sailed. I sent him a wireless not to talk to his partner about the insurance proposition, that I was sailing on the next steamer.

Three Exhibits Used in Closing This Case

I got to Amsterdam late at night, and had an appointment the following morning in the offices of this concern, one of the largest tobacco dealers in the world. I had with me just three things: First I had a ledger statement showing the actual cost of this insurance. Second, I had Dun's report on this firm, showing its weak spots and also its good spots. It showed how much preferred stock there was. It showed how much they had set up as an asset as good will. It showed the notes payable and the bank loans. I was pretty well fortified. I keep on file a list of business insurance arguments, any one of which I could talk about for an hour. I picked out those which appealed to me as appropriate for the particular case in hand, and I listed those on a piece of paper. When I got to the con-

ference I laid down the Dun statement in front of them, my ledger statement and the list of points that particularly applied to the case. They asked me what all these things were and I frankly told them. I started to talk; they interrupted me promptly and quickly. I let them do the talking and they decided to buy the insurance and I came back with a draft in Paris for \$25,000 payable on the day of my arrival in New York.

Would Have Had No Chance to Close by Mail

Incidentally this firm bought 20-year endowment insurance. I had issued ordinary life. The man in Amsterdam wasn't interested in ordinary life insurance, which was what I had issued. He was interested in the proposition that would pay that firm out with a profit, live or die. As I say, they bought endowment insurance instead of what I issued. You see how much chance I would have had to write that case if I had tried to do that by mail instead of following old man Franklin's advice, which is to go if you want to have a thing done.

Criticise Use of Ledger Statements

I have read twice in the last few months criticisms of the use of ledger statements. I presume you all know what ledger statements are. I don't see how it is possible to sell an intelligent business man a business life insurance contract, large or small in amount, unless that man knows approximately the result, let's say at the end of a ten-year period, live or die. I don't see how it can be done. This idea of selling life insurance in theory to me is a lot of bunk. You have to give the facts and give them short and sweet.

Take Language of Man You Are Trying to Sell

Business life insurance is a cinch, to be vulgar, because you have the use of Dun's and Bradstreet's and you know exactly the financial status of the firms you are going to do business with, whereas in personal insurance it is often a tough job to get the dope or the facts so you can make an intelligent canvass.

In my personal experience not enough advantage is taken of talking in the language of the man that you are trying to sell a bill of goods to. For example: If the man is a steel erector, talk to him, using your ledger statement as a basis, in the terms of tons of steel. Show him that the annual increase in cost to his business is so many dollars per ton of steel. If he is a manufacturer of clothing that is to him cents per unit of clothes he makes. If he is an importer of tobacco, it will only add a fraction of a cent per pound of tobacco, assuming this were the natural consequence, with terrific increase in value assuming he dies. You want to mention that once in a while. If he is a manufacturer of cigars, the actual increase in cost to that business is a few cents per thousand cigars. Cigar manufacturers talk in terms of thousands. This is an old idea, but I find it is very good to use.

Show Cost of Insurance Per Share of Stock

Next, if you are dealing with a large corporation, refine the cost of this protection down to the point of what it amounts to per share of stock per year. For example: If a firm is making \$6 a share per annum and if you can show that on a ten-year basis, assuming survival, the cost to that concern for a given amount of insurance protection is only a half cent a year per share, you are talking in his language, because the thing he doesn't want to do is to reduce the stock earnings that he reports to the stock exchange or to his stockholders.

TWISTING EVIL BEFORE C. OF C.

That the Chamber of Commerce of the United States is interesting itself in the twisting evil was the announcement made Thursday by Terence F. Cunneen, manager of its insurance department. He said:

"At the suggestion of Mr. Myrick, who is a member of the insurance advisory committee of the National Chamber, we propose to issue a bulletin dealing with the evils of twisting. This bulletin will go out to all the organization members of the chamber, to numerous public officials, and to thousands of corporations, firms and individuals.

Health and Life Conservation Stressed

"One of the major activities is health and life conservation. It has been the aim and object of the insurance department to enlist the support of chambers of commerce throughout the country in this life and health preservation work. We have prepared numerous bulletins which have gone out to all of the chambers of commerce and trade associations affiliated with the National Chamber. We have 1,600 chambers of commerce and trade associations with an underlying membership of 860,000 members. We have, for instance, put out bulletins dealing with the value of periodic health examinations, recommending health services to industrial corporations for their employees. We have put out bulletins explaining the position of the National Chamber with relation to the coordination of health activities of the federal government.

Few Local Chambers Have Health Committees

"In view of this great health work it is not surprising that no less than 130 chambers of commerce throughout the country have standing health committees. They have a wonderful opportunity to bring coordination between public health officials and the business man in advancing this great work.

"We urge insurance men to take a keen interest in their local chambers of commerce. Business men need the aid and support of insurance men. In turn insurance needs the sympathetic support of business men and business organizations.

Special Interest Taken in Insurance Taxes

"We have also taken a keen interest in taxation, particularly special insurance taxes.

"About five years ago the department caused an investigation to be made of special insurance taxes, licenses and fees. It was found that a comparatively small portion of the amount collected in insurance taxes was used for the conduct of the insurance department. A report was made to the National Chamber and the chamber adopted the policy that special insurance taxes should be reduced to such an amount as would adequately support the insurance departments.

"In 1926 no less than \$80,000,000 in insurance taxes was collected, but less than 4 per cent of this amount was used in the conduct of insurance departments, the balance going into the general revenue of the states to which the policyholders and insurance companies had already contributed in the form of other taxes."

Mrs. E. J. McCormack of Memphis, official hostess at the convention last year, was called to the platform to speak for the ladies of the convention and brought the crowd to its feet with the same sort of demonstration that greeted her appearance in Kansas City, Atlantic City and her home city.

MEETING OF SECRETARIES

Taking advantage of the gathering of the clan, the executive secretaries of the local associations held their annual meeting at a round table luncheon Thursday noon. These association men have an association of their own and do for their own welfare what they lead their local organizations to do for the life men. Over 60 per cent of the association membership is represented in the group and it reflects the best in organized effort. Roger B. Hull, managing director of the National association, was present at the luncheon as a guest, and a resolution was adopted in appreciation of Mr. Hull's work of the past year.

Fred P. McKenzie, the active secretary of the huge New York association, was elected president to succeed Harold Brownlee, formerly secretary of the Pittsburgh association. Mr. Brownlee has now retired from that connection and the new Pittsburgh secretary, William Milligan, was welcomed at this meeting. M. C. Hoffman, Cleveland secretary, was elected vice-president, and Walter B. Sheehan, of the Buffalo association, was named secretary.

GOLF TOURNAMENT WINNERS

Between 60 and 70 golfers took part in the golf tournament, Thursday afternoon. The winners, with prizes they received and their scores, were:

First low gross, golf bag, J. W. Saunders, Jackson, Miss., 77; second low gross, toilet set, Peter Sweeney, Detroit, Mich., 87; third low gross, brief case, W. P. Conley, Detroit, Mich., 90; first low net, zipper bag, C. P. McLain, Detroit, Mich., 89-19 70. Second low net, Gladstone bag, M. Scallabrio, Cleveland, 95-22-73; third low net, clock, F. D. Cummings, Detroit, Mich., 99 25-74; worst score, jug of maple syrup, R. L. Fuller, Grand Rapids, 143.

Honor Contest Winners

Agents of the Home Life of New York who were delegates to the National convention, met Wednesday noon for a luncheon in honor of I. M. Feuerlicht, Harry Jacoby and Leo J. Burns, winners in the summer inter-agency production contest staged by the company. James A. Fulton, agency vice-president, was present and presided. The Jacoby agency in New York was contest winner and Mr. Feuerlicht of that agency was present at Detroit as a guest of the general agents' association of the company as a result. Mr. Burns, of Buffalo, was present as individual leader among all men. Mr. Feuerlicht is a newcomer in the agency force of the Home Life, joining the Jacoby agency in January and now standing 14th on the agency list. Mr. Burns has been with the company five years, each year from the first as an active contender for the presidency of the agency club and now once again bidding for that honor, being in 6th place for the year now.

Rosenblatt Addresses Detroit Agency

S. J. Rosenblatt of Chicago, general agent for the State Life of Indiana, came to Detroit especially for the million dollar breakfast the first day of the convention. Wednesday noon Manager Roy H. Kerr of the Detroit agency gave a special luncheon in Mr. Rosenblatt's honor. Mr. Rosenblatt spoke at some length on the exceptional opportunities for young men in the business and upon the necessity of each underwriter keeping himself well posted on the new developments in life underwriting.

C. C. Day, of Oklahoma City, general agent of the Pacific Mutual Life and vice president of the National association, was taken ill with "flu" while attending the convention and was unable to attend the last day's session.

IN TUNE

When you want to know everything about a man, go to his home town and ask the "home folks" about him. They know him.

It's the same way with an Insurance Company.

The "home folks," and that includes its family of Agents wherever located, are the ones best qualified to tell what kind of a Company it really is.

The cordial good will that always has existed between the American National and its Agents has been the dominant force in making it a leading Company.

Working with rather than for the Company, American National Agents have interpreted American National ideals for integrity and service to policyholders in such a way as to naturally build up good will for themselves as well as their Company.

Ability and willingness to render impressive service year in and year out, in good times and in bad, is the real test of Company co-operation, and the American National has stood the test. It has kept in tune with the interests of its policyholders and field men.

Operating From Coast to Coast, Great Lakes
To Gulf, Cuba and Hawaiian Islands
Conservative Program Every Year

(June 30th, 1928)
Life Insurance In Force
\$511,355,241.00

Assets
\$31,579,550.11

(June 30th, 1928)
Surplus to Policyholders
\$4,045,845.45

Paid Policyholders and Their Beneficiaries Since Organization
\$27,511,299.84

ORDINARY AND INDUSTRIAL
ALSO HEALTH AND ACCIDENT

AMERICAN NATIONAL INSURANCE COMPANY

GALVESTON, TEXAS

W. L. Moody, Jr., President

Shearn Moody, Vice-President

W. L. Moody, III, Vice-President

W. J. Shaw, Secretary

T. L. Cross, Vice-President

F. B. Markle, Vice-President

PURPOSES AND PLANS IN TRAINING AGENTS

MAIN OBJECTIVE IS TO TEACH MEN HOW TO SELL

What Shall Be Taught? Who Shall Teach It? How Shall It Be Taught?

By H. G. KENAGY,
Life Insurance Sales Research Bureau

In planning the training effort in agencies, I want to raise as the first question, what is our objective? What are we trying to accomplish by training?

Of the two objectives that are common, giving men information about life insurance, perhaps information about how to sell life insurance, and the alternative objective teaching of men how to sell life insurance, I suspect that too often we tend to confuse those objectives or perhaps to feel unconsciously that if we impart information about the selling of life insurance we have taught men how to sell it.

Main Objective Training Men How to Sell

In the first place let us be clear as to what we are trying to accomplish, and I suggest to you that we make as our main objective that we shall train men how to sell. If that is our objective, then our second problem becomes, What shall we teach our men? Perhaps we ought to answer it this way: Let's find out what good salesmen know about life insurance. Let's find out what actual information about life insurance successful men use in selling it, and then teach that information to new agents.

We are very conscious of a definite trend in the training of life insurance men away from the emphasis upon technical information, the history of our great institution, the history of our companies, the technical facts, such as reserves and the calculation of premiums and what not, over to more specific, practical information about how to present life insurance to people who need it and how to find people who need life insurance.

List Specific Objectives, Build Plan Around Them

So I think in the planning of our training we ought to list on paper the things which we are going to teach and build our plan around that definite list of specific objectives.

I would raise a second major question and that is, How shall we teach? As we survey the training situation throughout the country, we discover in one company that a home office training plan, a home office class, is considered to be the heart of the training procedure. We turn to another company and we discover field schools taken to the agency, but conducted by a home office plan. We turn to another company and we discover that the company's principal effort is in the furnishing of a purchased correspondence course to its new agents.

Some Turn Training Over to General Agents

We turn to another company and we see the entire responsibility of training, including the preparation of material, turned over to the general agents, and no help given whatever from the home office.

We find the general agent or his assistant in one case sitting down in the office talking to men, furnishing them something to read and assuming that they have finished the job of training.

And then we come to still another agency, and happily they are increasing, and we discover that the job of

training has been analyzed, that the manager has a list of specific things to be taught, that he has a plan for teaching each of those elements, and that that plan includes definite training on the job out where life insurance is being sold.

What Are Questions in Mind of New Man?

Whatever your notion about the proper method of training, we believe that you ought to put on paper a definite plan for carrying out the various types in your plan. Plan the order of instruction. Should you begin the training of a new agent by having him read the history of your company, by having him study the history of the institution of life insurance, turn from that to a study of your policy contracts, then to a drill in the use of the rate book, then to a study of reserve and premium calculations, and what not, or should you not turn rather to a psychological approach to the problem and ask yourself: What are the problems, the questions in the mind of this new man who is coming into the business? What does he want to know?

In What Order Will Subjects Interest Agent?

Or if you do not ask the question that way, ask it something like this: What is the natural order in which the various subjects to be taught will interest him? If you ask yourself that question and think it through, I suspect you will come to an order of presentation something like this: First of all, what are the needs, the aims, and ambitions of people? Second, How do I find the people who have such needs? Third, How do I discover the needs of the individual after I reach him? How does life insurance meet his needs? How do I present a life insurance proposition to such an individual on the basis of his needs? What do I need to know about the structure of life insurance in order to make a convincing presentation?

Major Question Is: Who Should Do Training?

Now let me suggest a fourth major question, which is perhaps more vital than the answer to the others. This is: Who shall do the training? I suspect that too often in an agency management, we have intrusted the teaching of the beginner to men who have not the slightest natural aptitude nor the slightest training in how to teach other men the business. The time has long passed when we believe that if you know you can tell others. No longer is it said with any confidence that if you know your stuff you can tell the other fellow about it, because the ability to teach is a highly specialized technic which very few men possess naturally but which a great many men can develop under proper instruction.

If you as a manager discover that you lack ability to impart knowledge, lack ability to show adequately how you want the job done, then we think you should bring into your training plan a man who can teach others how to sell.

What Is Function Of Supervisor?

May I say a few words about the planning of supervision, particularly of the new agent, and raise just a few questions which it seems to us are important. Again we say, first, that you should know clearly what your objectives are. What is the function of supervision? We turn to one manager and he tells us that his primary purpose is to build each agent to the highest possible effectiveness. We turn to another and he says that his primary purpose in supervision is to build his agents into a team among themselves. We believe that both of those objec-

NEW TRUSTEES NAMED

The first official act of President Paul F. Clark was to name Jonathan K. Voshell of Baltimore, former president and William M. Furey of Pittsburgh, retiring chairman of the executive committee, as the new trustees of the National association. The appointments were at once confirmed by the executive committee.

tives belong in the supervision program.

What should be planned in regard to supervision? First, it seems to us that we need to plan what information to get regarding the needs of the individual. If we are to build each agent to his highest possible effectiveness, we must know as much as possible about his particular specific needs. In getting such information, what records should you keep and how? What questions do we want to answer about each individual? Are we interested only in his production or are we interested in his persistency record, in the average-sized policy which he sells, in the class of people to whom he sells, in the number of hours he puts in on the job, in the ratio between his interviews and sales?

Not so long ago, in getting ready for an agency convention, we asked the general agents to tell us how they were planning training and supervision. For the first time in my life I saw put down on a piece of paper a specific analysis by one general agent of what he planned to do over a period of years, period of one year for each agent in his agency force. Here was a rather detailed analysis of the needs of the weaknesses of each of his agents and equally specific a suggestion of what he hoped to do and how he hoped to accomplish it. That is the sort of thing which we feel is required in a plan of supervision.

NEW LEADER IS GIVEN OVATION

(Continued from Page 1)

F. Clark, escorted the new president to the platform to accept office as leader of the National association. Mr. Clark was greeted with a gigantic "locomotive" cheer, led by J. Fred Lawton, of Detroit, both Mr. Lawton and the cheer surpassing the best gridiron efforts of football throngs. The new president responded with a hearty word of greeting, briefly sketching his plans for the year as the moment suggested them. Mr. Clark said he would follow the precedent of Mr. Myrick and Calvin Coolidge in remaining at home and keeping a discreet silence during the year, rather attending to the program of association activity planned for the year. Mr. Clark pointed to the wonderful geographic distribution of the new officers, all sections being ably represented and no section duplicated, assuring a representative and intensive working force.

Mr. Clark said he had some definite ambitions for the year, first of which is a national, institutional program of advertising. Next he desires to bring membership to a representative total, nearer 50,000 than the present figure. This responsibility will go to George Ayars, of Los Angeles. Establishment of closer relationship between the National association and local associations is another objective, and E. J. McCormack, of Memphis, was named "judge advocate general" to direct the work on this.

Bragg Handles Program; Brashears General Chairman

Mr. Clark then urged the pointing of efforts at once towards next year's convention, to make it the best ever, and James Elton Bragg of Philadelphia, this year's program chairman, was named chairman for next year again, accepting this office. E. S. Brashears of Washing-

ton was named general chairman of the 1929 convention. In urging close attention to the activities of the American College, Mr. Clark said that the National association will strenuously push this, and C. C. Day of Oklahoma City will direct this work. In conclusion, Mr. Clark said that he will exert every effort to remove the association from the "poor" class, improving the finances so that it will be the greatest sales organization of America in every way.

Probably the most important action taken at today's session, aside from the election of officers, was the adoption by the convention of the resolution already passed by the executive committee and offered by E. J. McCormack, of Memphis, condemning the activities of speculators in life company control. The strong interest of life agents in preserving public esteem was emphasized in the resolution, and the officers and trustees were authorized to seek an alliance with the Insurance Commissioners' Convention, the Life Presidents' Association and the American Life Convention to achieve unity of purpose in the preservation of the ideal of trusteeship.

The report of the resolutions committee was presented by Charles L. Scott of Kansas City, chairman. It also included a memorial resolution on the death of Charles Dobbs of the "Insurance Field" and expressions of appreciation for the work of the national officers and the Detroit committees.

President Myrick announced that the association had decided to sever all official connection with the Insurance Research and Review Service and had returned its stock in that organization but that it desired to retain the services of Mansur B. Oakes, head of that organization, who has been named as "service consultant" to the National Association.

Kalamazoo Wins Edwards Trophy

The Charles Jerome Edwards trophy, awarded to the local association showing the best membership from all standpoints, was awarded to Kalamazoo, Mich., which increased its membership the last year from 27 to 85. The cup was accepted on behalf of the Kalamazoo association by its president, H. Loree Harvey of the Equitable Life of Iowa. He said his association had 15 members in attendance at this meeting and hoped to show a still greater increase in membership and a bigger delegation at the National convention.

The other associations in the first ten, in the order of their rank, were Springfield, Mo.; Albany, Macon, Quincy, Springfield, Mass.; Trenton, Chicago, Colorado and New Haven.

Julian S. Myrick of New York, retiring president of the National association, was named chairman of the executive committee at a special meeting of that group called Friday noon, thus following a precedent which has been quite generally observed in recent years.

Or Did Canada Hold Them?

Pleasure almost interfered with the orderly progress of business Thursday evening, when delay in the return of those on the convention boat ride seemed for a time to endanger the managers' meeting. The boat was two hours late, but an efficiently planned program permitted Mr. Holcombe to begin his program only a few minutes late with an audience of nearly 1,000 from managerial ranks.

Frank H. Davis, who recently resigned as agency vice-president of the Equitable Life of New York to return to agency work as Chicago general agent for the Penn Mutual Life, arrived in Detroit Thursday and was welcomed back into the field by the convention delegates. It was his first appearance among the insurance fraternity since his change.